

THIS CIRCULAR TO SHAREHOLDERS OF BINASAT COMMUNICATIONS BERHAD ("BINASAT" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by TA Securities Holdings Berhad, being the Adviser to the Company for the Proposed Free Warrants Issue (as defined herein).



BINASAT COMMUNICATIONS BERHAD

(Registration No. 201701008491 (1222656-D))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED FREE WARRANTS ISSUE OF UP TO 194,147,753 FREE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED FREE WARRANTS ISSUE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolution in respect of the Proposed Free Warrants Issue will be tabled at the Extraordinary General Meeting ("EGM") of Binasat which will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Wednesday, 30 November 2022 at 11:00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixth Annual General Meeting of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later. The Notice of the EGM together with the Proxy Form are enclosed in this Circular.

You are encouraged to attend, participate, speak (in the form of real time submission typed texts) and vote remotely at the forthcoming EGM using the remote participation and voting facilities. If you are unable to participate in the online EGM, you may appoint proxy or proxies to participate and vote on your behalf. The Proxy Form may be submitted by hand or by post to the registered office of the Company at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. You may also submit the Proxy Form electronically via email at the Poll Administrator's email address at vote2u@agmostudio.com no later than on Monday, 28 November 2022 at 11.00 a.m.. The lodging of the Proxy Form will not preclude you from participating and voting remotely at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

Please follow the procedures provided in the Administrative Guide for the EGM which is available on the Company's website at <https://www.binacom.com.my/investor-relations/>.

Last day, date and time for lodging the Proxy Form	:	Monday, 28 November 2022 at 11:00 a.m.
Date and time of the EGM	:	Wednesday, 30 November 2022 at 11:00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixth Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later

This Circular is dated 15 November 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

5D-VWAP	:	5-day volume weighted average market price
ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act 2016, as may be amended, supplemented or modified from time to time
Acquisition of BCSB	:	Acquisition of 51% equity interest in Borderless Connection Sdn. Bhd which was completed on 13 October 2021
AGM	:	Annual General Meeting
Binasat or Company	:	Binasat Communications Berhad
Binasat Group or Group	:	Binasat and its subsidiaries, collectively
Binasat Share(s) or Share(s)	:	Ordinary share(s) in Binasat
Board	:	Board of Directors of Binasat
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to the shareholders of Binasat in relation to the Proposed Free Warrants Issue dated 15 November 2022
CMSA	:	Capital Markets and Services Act 2007, as may be amended, supplemented or modified from time to time
Code on Take-Overs	:	Malaysian Code on Take-Overs and Mergers 2016 issued by the Securities Commission Malaysia, including any amendments that may be made from time to time
Deed Poll	:	The deed poll constituting the Warrants to be executed by the Company in relation to the Proposed Free Warrants Issue
Director(s)	:	A natural person who holds a directorship in the Company for the time being, whether in an executive or non-executive capacity, falling within the meaning given in Section 2(1) of the CMSA and Section 2(1) of the Act
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	The shareholders of the Company whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	The date (to be determined by the Board and announced by the Company later) as at the close of business at 5.00 p.m. of which the names of shareholders must appear in the Record of Depositors in order to be entitled to the Proposed Free Warrants Issue
EPS	:	Earnings per share
FYE	:	Financial year ended/ ending 30 June, as the case may be

DEFINITIONS (Cont'd)

Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	31 October 2022, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p>
NA	:	Net assets
Private Placement 2021	:	Private placement of up to 20% of the total number of issued Shares under general mandate pursuant to Section 75 and 76 of the Act, which was completed on 21 December 2021
Proposed Free Warrants Issue	:	Proposed free warrants issue of up to 194,147,753 free Warrants on the basis of 1 Warrant for every 2 existing Shares held on the Entitlement Date
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to Securities Industry (Central Depositories) Act, 1991
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
Rules on Take-Overs	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia, including any amendments that may be made from time to time
SIS	:	The existing share issuance scheme of the Company
TA Securities or Adviser	:	TA Securities Holdings Berhad
Warrant(s)	:	Up to 194,147,753 free warrants to be allotted and issued pursuant to the Proposed Free Warrants Issue

All references to “**you**” in this Circular are references to shareholders of Binasat.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/ or neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the figures included in this Circular between the amount stated and the totals thereof are due to rounding.

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	
LETTER TO THE COMPANY'S SHAREHOLDERS IN RELATION TO THE PROPOSED FREE WARRANTS ISSUE	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE	2
3. UTILISATION OF PROCEEDS	4
4. RATIONALE FOR THE PROPOSED FREE WARRANTS ISSUE	6
5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS	6
6. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE	12
7. APPROVALS REQUIRED AND CONDITIONALITY	16
8. CORPORATE EXERCISE/ SCHEME ANNOUNCED BUT PENDING COMPLETION	16
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/ OR PERSONS CONNECTED WITH THEM	17
10. DIRECTORS' STATEMENT AND RECOMMENDATION	17
11. ESTIMATED TIME FRAME FOR COMPLETION	17
12. EGM	17
13. FURTHER INFORMATION	18
APPENDICES	
APPENDIX I SALIENT TERMS OF THE WARRANTS	19
APPENDIX II FURTHER INFORMATION	21
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY REPRESENTS ONLY A SUMMARY OF THE PERTINENT INFORMATION ON THE PROPOSED FREE WARRANTS ISSUE AS SET OUT IN THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

Key information	Description	Reference to the Circular
Brief details of the Proposed Free Warrants Issue	<ul style="list-style-type: none">(i) The Proposed Free Warrants Issue entails the issuance of up to 194,147,753 Warrants on the basis of 1 Warrant for every 2 existing Shares held on the Entitlement Date.(ii) The Warrants shall have a tenure of 3 years at an exercise price to be determined later. The Warrants will be issued in registered form and constituted by the provisions of the Deed Poll.(iii) The Warrants will be issued at no cost to the Entitled Shareholders.	Section 2
Rationale	<p>The Proposed Free Warrants Issue is intended to:</p> <ul style="list-style-type: none">(i) enable the Company's shareholders to participate in convertible securities of the Company which are issued at no cost to them and are tradable on the ACE Market;(ii) strengthen the Group's capital base and shareholders' funds as well as potentially provide funds for the Group to finance its working capital requirements as and when the Warrants are exercised without incurring interest cost, as compared to the bank borrowings;(iii) provide the existing shareholders of the Company with an opportunity to increase their equity in the Company at a pre-determined price during the tenure of the Warrants; and(iv) allow the existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants.	Section 4

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Key information	Description	Reference to the Circular
Approvals required	<p>The Proposed Free Warrants Issue is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> (i) the approval of Bursa Securities for the: <ul style="list-style-type: none"> (a) admission to the Official List and listing and quotation of up to 194,147,753 Warrants; and (b) listing and quotation of up to 194,147,753 new Binasat Shares to be issued arising from the exercise of the Warrants, on the ACE Market; (ii) the approval of the Company's shareholders at an EGM to be convened; and (iii) the approvals/ consents of any other relevant authorities/ parties, if required. 	Section 7
Interests of Directors, Major Shareholders, chief executive of the Company and/ or persons connected with them	None of the Company's Directors, Major Shareholders, chief executive and/ or persons connected with them have any interest, direct or indirect, in the Proposed Free Warrants Issue other than their respective entitlements under the Proposed Free Warrants Issue as shareholders of the Company, to which all Entitled Shareholders are similarly entitled to.	Section 9
Board's recommendation	<p>The Board, after having considered all aspects of the Proposed Free Warrants Issue including, the rationale and effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interests of the Company.</p> <p>The Board recommends that you vote IN FAVOUR of the resolution pertaining to the Proposed Free Warrants Issue to be tabled at the forthcoming EGM.</p>	Section 10

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]



BINASAT COMMUNICATIONS BERHAD

(Registration No. 201701008491 (1222656-D))
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

15 November 2022

Board of Directors

Tan Sri Datuk Cham Hak Lim (*Independent Non-Executive Chairman*)
Na Boon Aik (*Managing Director*)
Zulamran bin Hamat (*Executive Director cum Chief Executive Officer*)
Dato' Seow Thiam Fatt (*Senior Independent Non-Executive Director*)
Dato' Tan Yee Boon (*Independent Non-Executive Director*)

To: Shareholders of Binasat Communications Berhad

Dear Sir/ Madam,

PROPOSED FREE WARRANTS ISSUE

1. INTRODUCTION

On 13 October 2022, TA Securities had, on behalf of the Board announced that the Company proposes to undertake the Proposed Free Warrants Issue.

On 14 November 2022, TA Securities had, on behalf of the Board 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,

on the ACE Market.

The approval of Bursa Securities is subject to the conditions as set out in **Section 7** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED FREE WARRANTS ISSUE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE

2.1 Basis and number of Warrants to be issued

The Proposed Free Warrants Issue entails the issuance of up to 194,147,753 Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders.

The Company has a SIS which took effect on 16 April 2019 for a period of 5 years. The maximum number of Binasat Shares which may be made available under the SIS shall not exceed 15% of the total number of issued shares of the Company at any one time. As at the LPD, Binasat has not awarded/ granted any Shares or SIS options pursuant to the SIS. The Company has undertaken not to grant any Shares or SIS options until completion of the Proposed Free Warrants Issue.

The basis and number of Warrants to be issued were determined after taking into consideration, amongst others, the following:

- (i) the potential dilutive effect on Binasat's consolidated earnings per Share; and
- (ii) the number of new Binasat Shares arising from the exercise or conversion of all outstanding convertible equity securities* must not exceed 50% of the Company's total number of issued shares (excluding treasury shares and before the exercise of convertible equity securities*) at all times, in compliance with Rule 6.51 of the Listing Requirements.

Note:

* "convertible equity securities" shall mean warrants and convertible preference shares, as defined in Rule 6.50(2) of the Listing Requirements.

As at the LPD, the Company does not have any convertible equity securities.

A total of up to 194,147,753 Warrants will be issued pursuant to the Proposed Free Warrants Issue. The enlarged number of Binasat Shares is as illustrated below:

	No. of Shares
Issued Shares as at the LPD	388,295,506
Assuming full exercise of the Warrants	194,147,753
Enlarged number of issued Shares after the Proposed Free Warrants Issue	582,443,259

The Proposed Free Warrants Issue will not result in non-compliance with Rule 6.51 of the Listing Requirements as shown below:

	No. of Shares
Issued Shares as at the LPD [A]	388,295,506
Number of Warrants [B]	194,147,753
[B] / [A]	50.00%

The actual number of Warrants to be issued pursuant to the Proposed Free Warrants Issue will depend on the total number of issued Shares as at the Entitlement Date.

Fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and/ or dealt with by the Board in such manner as the Board at its absolute discretion deems fit and expedient and in the best interest of the Company.

The Proposed Free Warrants Issue is not intended to be implemented in stages over a period of time.

2.2 Salient terms of the Warrants

The Warrants shall have a tenure of 3 years at an exercise price to be determined later. The Warrants will be issued in registered form and constituted by the provisions of a Deed Poll. The salient terms of the Warrants are set out in **Appendix I** of this Circular.

2.3 Basis and justification of the issue price and exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants shall be determined by the Board at a later date after obtaining all relevant approvals but prior to the Entitlement Date. The Board in determining the exercise price of the Warrants will take into consideration, amongst others, the following:

- (i) the historical price movement of Binasat Shares;
- (ii) the Warrants will be issued at no cost to the Entitled Shareholders;
- (iii) the Warrants are exercisable at any time during the tenure of 3 years commencing on and including the date of issuance of the Warrants; and
- (iv) the 5D-VWAP of Binasat Shares prior to the price-fixing date. The Board will determine and fix the exercise price of the Warrants subject to a premium of not more than 10% over the 5D-VWAP of Binasat Shares immediately preceding the price-fixing date.

For illustrative purpose, the exercise price of Warrants is assumed to be at RM0.23 each, which represents a premium of RM0.0098 or 4.45% to the 5D-VWAP of Binasat Shares up to and including the LPD of RM0.2202.

The Board wishes to emphasise that the assumed exercise price of the Warrants of RM0.23 each should not be taken as an indication of or reference to the actual exercise price of the Warrants, which will be determined and announced on the price-fixing date.

2.4 Ranking of the Warrants and the new Shares to be issued arising from the exercise of Warrants

The holders of the Warrants will not be entitled to any voting rights or participation in any form of dividends, distributions and/ or offer of securities in Binasat until and unless such holders of the Warrants exercise their Warrants into new Binasat Shares.

The new Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, carry the same rights with the then existing Binasat Shares. However, such new Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions which may be declared, made or paid to the Company's shareholders unless such new Shares were allotted and issued on or before the entitlement date of such dividends, rights, allotments and/ or other distributions.

2.5 Listing and quotation of the Warrants and new Shares to be issued pursuant to the exercise of the Warrants

The Warrants and new Shares to be issued pursuant to the exercise of the Warrants will be listed on the ACE Market.

Bursa Securities had, vide its letter dated 14 November 2022, granted its approval for the admission of the Warrants to the Official List, listing and quotation of the Warrants as well as listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants on the ACE Market. Further information is set out in **Section 7** of this Circular

3. UTILISATION OF PROCEEDS

The issuance of Warrants is not expected to raise any funds immediately as the Warrants will be issued at no cost to the Company's shareholders.

However, as and when the Warrants are exercised, the exact quantum of proceeds that may be raised by Binasat will depend upon the exercise price and actual number of Warrants exercised during the tenure of the Warrants. As such, the exact timeframe and the breakdown for the utilisation of the proceeds are not determinable at this juncture. The Company expects to utilise the proceeds from the exercise of Warrants within 36 months from the date of receipt of the proceeds. For illustrative purposes only, the gross proceeds to be raised upon the full exercise of the Warrants based on the assumed exercise price of RM0.23 each, is set out below:

No. of Warrants	194,147,753
Total gross proceeds to be raised assuming full exercise of Warrants (RM)	44,653,983

The Company intends to utilise the proceeds arising from the exercise of the Warrants, if any, for the Group's working capital. The working capital raised from the exercise of the Warrants will be utilised to finance the Group's day-to-day operations, including the payment to suppliers and subcontractors as well as defrayment of operational and administrative expenses (e.g., rental expenses, utility charges, maintenance expenses, transportation costs and upkeep of property, plant and equipment). The allocation of proceeds to be utilised for each component of working capital are subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

Pending utilisation of the proceeds to be raised as and when the Warrants are exercised, the proceeds may be placed in deposits with licensed financial institutions and/ or short-term money market instruments. The interest derived from the deposits with licensed financial institutions and/ or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of the Group. Such utilisation includes payments to suppliers and subcontractors as well as defrayment of operational and administrative expenses (e.g., rental expenses, utility charges, maintenance expenses, transportation costs and upkeep of property, plant and equipment). The allocation of proceeds to be utilised for each component of working capital are subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

3.1 EQUITY FUND RAISING EXERCISE UNDERTAKEN BY THE COMPANY IN THE PAST 12 MONTHS UP TO THE LPD

On 21 December 2021, the Company completed Private Placement 2021 via issuance of a total of 64,715,900 Binasat Shares, raised gross proceeds of RM19.56 million, as summarise below.

Tranche	Date of Listing	Issue price per Share (RM)	No. of Shares
1	17 November 2021	0.3450	21,375,000
2	29 November 2021	0.3030	21,271,700
3	21 December 2021	0.2600	22,069,200
Total			64,715,900

As at the LPD, the status of the utilisation of proceeds from the Private Placement 2021 by the Group is as follows:

Description	Proceeds raised	Actual utilisation	Balance unutilised	Expected time frame for the use of proceeds (from the date of listing of the placement shares under the Private Placement 2021)
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Enhancing the Group's fiber optic network installation and commissioning service capability ⁽¹⁾	1,290	1,090	200	Within 24 months
Working capital	18,082	5,343	12,739	Within 24 months
Estimated expenses for the Private Placement 2021	185	185	-	Immediate
Total	19,557	6,618	12,939	

Note:

- (1) The Group's fiber optic telecommunications network supporting services involve installation and commissioning, where the Group would lay fiber optic cables and install related network equipment.

The Group has allocated up to approximately RM1.29 million for the purchase of an additional horizontal directional drilling ("HDD") machine (RM0.45 million) and the expansion of the Group's in-house team involved in the fiber optic network installation work (RM0.84 million).

As at the LPD, the Group has:

- (i) purchased an additional HDD machine for RM0.45 million; and
- (ii) expanded the in-house team to complement the existing personnel for the implementation of the projects, to enhance operational efficiency as well as to reduce the Group's dependency on external subcontractors.

As at the LPD, the Group's in-house team has 36 employees (consisting of HDD machine operator, lorry driver, and site workers) involved in the fiber optic network installation work of which 27 employees were hired subsequent to completion of the Private Placement 2021. The details of the new hires subsequent to the Completion of the Private Placement 2021 are as follows:

<i>Roles</i>	<i>No. of person</i>
<i>HDD machine operator – responsible for operating the HDD machine in undertaking the HDD work</i>	3
<i>Lorry driver – responsible for transportation of HDD machine, cables and other raw materials</i>	3
<i>Site workers – responsible for installation of fiber optic cabling work and on-site civil infrastructure work (such as install fiber optic cables underground and build manholes as well as install fiber optic cables above ground)</i>	21

4. RATIONALE FOR THE PROPOSED FREE WARRANTS ISSUE

The Proposed Free Warrants Issue is intended to:

- (i) enable the Company's shareholders to participate in convertible securities of the Company which are issued at no cost to them and are tradable on the ACE Market;
- (ii) strengthen the Group's capital base and shareholders' funds as well as potentially provide funds for the Group to finance its working capital requirements as and when the Warrants are exercised without incurring interest cost, as compared to bank borrowings;
- (iii) provide the existing shareholders of the Company with an opportunity to increase their equity in the Company at a pre-determined price during the tenure of the Warrants; and
- (iv) allow the existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022. All economic sectors expanded in the third quarter of 2022.

During the quarter, domestic demand expanded by 13.1% (2Q 2022: 13.0%), driven by firm private sector expenditure.

Private consumption growth remained robust at 15.1% (2Q 2022: 18.3%). This was attributed to the continued recovery in labour market conditions with higher employment and income growth. The strong performance was driven by spending across both necessities and discretionary items. Policy support, including the increase in minimum wage and Bantuan Keluarga Malaysia also spurred consumer spending.

Public consumption expanded at a faster pace of 4.5% (2Q 2022: 2.6%), attributable to higher growth in spending on supplies and services.

(Source: Third quarter 2022, Bank Negara Quarterly Report, Bank Negara Malaysia)

The pace of Malaysia's economic recovery has gained momentum with a rebound in growth of 3.1% in 2021 compared to a contraction of 5.5% in 2020.

Malaysia's economic recovery continued its strong momentum in the first half of 2022 amid the global headwinds. The gross domestic product ("GDP"), grew at 6.9% during the period supported by the implementation of Budget 2022 measures, transition to the endemicity and reopening of international borders. The economy is expected to grow at 6.1% in the second half of 2022 in line with strong domestic pent-up demand from private sector, remarkable tourism activities and outstanding trade performance. Furthermore, robust performance in services and manufacturing sectors as well as improvement in the labour market conditions are envisaged to contribute significantly to the economic growth. Overall, the nation's economy is expected to grow between 6.5% - 7% in 2022.

In line with the softening global economic outlook, Malaysia's economy is expected to moderate in 2023. Strong economic fundamentals, further improvement in employment prospects, sustained consumer and business confidence as well as continuous policy support for vulnerable households are projected to stimulate domestic demand. Steady external demand, especially for E&E products and major commodities, is anticipated to continue driving the exports, thus maintaining a surplus in current account of the balance of payments (BOP).

On the supply side, all economic sectors are projected to expand, with the services and manufacturing sectors remain as the major contributors to the economy. The services sector will benefit from an increase in domestic demand and tourism activities. The manufacturing sector is expected to be driven by global demand for E&E and rubber-based products coupled with an expansion in domestic industries such as food and construction related products. Meanwhile, the construction sector is projected to improve with the acceleration of existing infrastructure projects and higher private investment that would increase demand for more commercial and residential buildings. Thus, the nation's GDP is forecast to expand between 4% – 5% in 2023.

(Source: Macroeconomic Outlook, Economic Outlook 2023, Ministry of Finance Malaysia)

5.2 Overview and outlook of the telecommunication industry in Malaysia

The Malaysian economy in 2021 showed a recovery momentum, with positive growth of GDP, supported mainly by improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan. In line with this, the usage of telecommunication and multimedia services continue to increase, building momentum for domestic communications and multimedia ("C&M") industry to remain resilient against the external headwinds and global economic uncertainties. The C&M industry market capitalisation has increased by 2.8% to RM146.95 billion, driven by 3.5% increase in telecommunications sector, 6.6% increase in broadcasting sector, and partly offset the 34.8% decline in postal and courier sector.

In terms of financial performance, the C&M industry revenue witnessed an increase of 3.7% to RM48.25 billion in 2021 (2020: RM46.52 billion), spurred by economic reopening and Government stimulus programmes. Telecommunications sector has withstood the pandemic headwinds, benefiting from businesses and consumers reliance on network connectivity. The incentives from Jaringan Prihatin Programme which subsidised consumers to own a smartphone and mobile package have boosted subscriber growth in 2021. These developments inevitably fuelled the sector's growth, with revenue increasing 5.1% to RM40.31 billion in 2021 (2020: RM38.35 billion). Given the need to expand network infrastructures to support the rising demand, the service providers have accelerated capex investments to 4.8% higher to RM4.98 billion in 2021 (2020: RM4.75 billion).

However, broadcasting and postal and courier sector revenue experienced a decline. Broadcasters continued to face competition from online video streaming platforms and cord-cutting along with cautious spending from consumers have led to a contraction of 1.9% in broadcasting sector revenue to RM5.28 billion in 2021 (2020: RM5.38 billion). On the postal and courier sector front, the sector continues to operate in a competitive market with many players, pressured by price and cost despite the surge in e-commerce demand and parcel volume. As a result, postal and courier sector revenue saw a decline of 4.7% to RM2.66 billion in 2021 (2020: RM2.79 billion).

The market capitalisation for the telecommunications sector has improved by 3.5% to RM139.19 billion in 2021 (2020: RM134.42 billion), which illustrates a positive investor sentiment over this sector outlook due to the increasing demand for connectivity from personal to business use, even after the relaxation of movement control restrictions.

The telecommunications market in Malaysia has somewhat matured with a flat service revenue trend in the last few years. While data services such as fixed broadband and mobile Internet are still growing, the increase is offset by the decline in legacy services such as voice and mobile messaging services. However, the total market is expected to rebound from 2021 onwards. GlobalData Fixed Communications and Mobile Broadband Forecast published in December 2021 show that the total telecom service revenue in Malaysia is forecasted to grow steadily at a compound annual growth rate ("CAGR") of 3.0% from RM26.3 billion in 2021 to RM30.6 billion in 2026.

The growth is mainly driven by mobile data with a forecasted CAGR of 5.2% in the next five years and a revenue size of 62% of the total telecom market in 2026. This will be driven by several key factors such as higher data subscriptions, wider coverage of high-speed mobile networks especially in remote areas, higher data usage with 5G and wider adoption of Over-The-Top (OTT) services, especially gaming content, streaming and video. With an expected CAGR of 3.3% for the same forecast period, fixed broadband is another key driver for the telecom market in the country.

(Source: Industry Performance Report 2021, Malaysia Communications and Multimedia Commission)

The information and communication subsector expanded by 6.1% in the first half of 2022, supported by telecommunication segment following a higher digital usage among businesses and individuals and increased subscription of services offered by telecommunication companies. The subsector is projected to increase by 3.3% in the second half of the year, supported by sustained high usage of the e-commerce services and increased subscriptions to media streaming such as sport packages in conjunction with the 2022 Commonwealth Games and 2022 FIFA World Cup campaign. Therefore, the subsector is anticipated to rise by 4.7% in 2022.

The information and communication subsector is expected to expand by 4.6% in 2023, mainly driven by the increasing digital adoption across all economic sectors. Phase 2 of the Jalinan Digital Negara (JENDELA) is expected to boost the digital connectivity through the utilisation of Fixed Wireless Access and other fit-for-purpose technologies, thus enabling the country to further address the digital divide. In this regard, Digital National Berhad aims to extend the fifth-generation cellular network (5G) coverage to 80% of the nation's populated areas by 2024. In addition, high quality investment in digital-related infrastructures such as data centres and cloud computing services as well as continued surge in the e-commerce and online entertainment activities will further boost the subsector.

(Source: Macroeconomic Outlook, Economy Outlook 2023, Ministry of Finance Malaysia)

Binasat Group is involved in the provision of support services for satellite, mobile and fibre optic telecommunications networks. Premised on the outlook as set out above, the Board is cautiously optimistic of the demand for its provision of support services for satellite, mobile and fibre optic telecommunications networks for the financial year ending 30 June 2023 after having considered other relevant aspects, such as the global recovery from the COVID-19 pandemic and the continued expansion of the information and communication subsector.

5.3 Overview and outlook of the solar photovoltaic (“PV”) and utilities sectors in Malaysia

Solar PV sector

During the tabling of the Twelfth Malaysia Plan (RMK-12), the Government of Malaysia has reaffirmed its commitment to reduce the country’s greenhouse gas emissions (GHG) intensity of GDP by 45% by the year 2030 relative to 2005 levels. It was also announced that carbon pricing and a carbon tax would be introduced to support this vision, as well as a Comprehensive National Energy Policy to provide long-term strategic direction to support national aspiration of reducing its carbon emissions to net-zero.

To further accelerate the country’s sustainable energy industry growth, the contribution of solar, biomass and biogas in its installed capacity mix is targeted to increase to 31%. Ministry of Energy and Natural Resources’ decision to release an additional 300MW of solar quota under Net Energy Metering (“NEM”) Net Offset Virtual Aggregation will indeed attract more participants to apply for the programme, which will be available via Sustainable Energy Development Authority (“SEDA”) Malaysia’s eNEM system starting from 15th November 2021.

The additional quota is expected to benefit up to 300 commercial and industrial customers and create new business opportunities for over 100 local solar players. Further, it will create an estimated value of RM1.2 billion and provide 3,600 job opportunities, contributing greatly towards Malaysia’s post-COVID-19 pandemic recovery.

(Source: Chairman’s Message, SEDA in the Eyes of Malaysia, Volume 5 Issue 13, published in December 2021 by SEDA)

During the 5th International Sustainable Energy Summit in August 2022, Prime Minister Dato’ Sri Ismail Sabri announced new programmes and initiatives by the Government to reform the country’s electricity supply and support the energy transition. These include the approval of the allocation and redistribution of the renewable energy (“RE”) quota of 1,200 megawatts for solar as well as the implementation of a pilot initiative for the development of Green Energy Island in Redang Island and Perhentian Island, Terengganu, with an estimated cost of RM200 million under the Incentive-Based Regulation mechanism.

In the same 5th International Sustainable Energy Summit in August 2022, Minister of Energy and Natural Resources, Datuk Seri Takiyuddin Hassan also shared that the national energy transition agenda implemented by the Government includes, among others:

- implementing active mitigation measures by increasing RE capacity in the country’s electricity supply to 31% by 2025 and 40% in 2035 based on the Malaysia Renewable Energy Roadmap;
- developing programmes and initiatives to increase the participation of local industry in the generation and purchase of green electricity supply through programmes such as Feed-in Tariff (FiT), Net Energy Metering (NEM), Green Electricity Tariff dan New Enhanced Despatched Arrangement (NEDA); and

- enhancing grid flexibility in stages through the integration of digitalisation and the development of the energy storage system to enable the inclusion of higher RE capacity through distributed generation.

The Government's sustainable energy development policies and initiatives are expected to reduce the greenhouse gas emission intensity of the electricity supply sector by 45% in addition to generating economic spillovers through investments of up to RM33 billion and creating 47,000 direct job opportunities.

The implementation of Low Carbon Nation Aspiration (“**LCNA**”) under the National Energy Policy 2022-2024, the Government will undertake a more proactive role by identifying and developing selective leadership in the areas of the low carbon economy, which will be aligned with the areas where the country has high potential and competitive advantage. The Government will provide appropriate incentives to attract investments in lowcarbon technologies development. This incentive will enable Malaysia to take the lead in areas with great potentials, such as RE, energy storage, low carbon mobility, hydrogen economy and etc. The LCNA 2040 is projected to impact the country's economic development positively, leading to higher GDP and job creation. The implementation of LCNA 2040, among others, will expand Malaysia's GDP growth by RM13 billion a year and create 207,000 jobs.

(Source: Roaring Success, Volume 6 Issue 15, published in October 2022 by SEDA)

Utilities sector

The utilities subsector recorded an increase of 3.8% in the first half of 2022 and is anticipated to improve further by 3% in the second half. For the whole year, the subsector is expected to expand by 3.4% following a higher electricity consumption by industrial, commercial and domestic segments attributed to the reopening of all economic sectors and resumption of social activities.

The utilities subsector is projected to grow by 2.4% for year 2023, driven by strong demand in electricity; and water and sewerage segments, in tandem with expected higher usage in industrial, commercial and residential segments. In addition, the ongoing implementation of rural electrification projects through extension of grid connection as well as alternative systems such as small hydro, solar hybrid and solar PV will further support the subsector.

(Source: Macroeconomic Outlook, Economic Outlook 2023 by Ministry of Finance Malaysia)

Binasat Group is involved in the provision of utilities infrastructure services. Economic growth is a key driver for investments in utilities, as a robust utility infrastructure supports economic activities and attracts foreign and domestic investments. Investments in electricity, piped gas, water and sewerage as well as communications services for the design, construction, installation, repair and maintenance of such utility infrastructure support economic activities. The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%) and the utilities subsector is projected to expand by 2.4% for year 2023. The Board anticipates that the private and public sector will still incur capital investments for utilities infrastructure services, as infrastructure and utilities are important drivers for the growth of economy of any region.

Premised on the outlook as set out above, the Board is cautiously optimistic of the demand for its provision utilities infrastructure services the FYE 2023 after having considered other relevant aspects, such as the global recovery from the COVID-19 pandemic, the Government of Malaysia's commitment to reduce Malaysia's greenhouse gas emissions and accelerate the country's sustainable energy industry growth.

5.4 Prospects and future plans of the Group

The Group is principally involved in the provision of (i) support services for satellite, mobile and fibre optic telecommunications networks and (ii) utilities infrastructure services.

Despite the challenging business operating environment affected by COVID-19 and various movement control orders, the Group managed to complete 1 satellite teleport gateway in 2020, 2 satellite teleport gateways in 2021 and 1 satellite teleport gateway in 2022. The Group will continue to market its teleport facility and services to potential customers and continuously improve its services or products to expand its customer base. All 4 satellite teleport gateways are operational and are expected to contribute positively to the Group's earnings for the FYE 2023.

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. In 2021, Binasat's 70%-owned subsidiary, Satellite NOC Sdn Bhd, was awarded by Dewan Bandaraya Kuala Lumpur as one of the Network Facilities Provider panel to replace/ install a total of 350 lamp poles integrated with telecommunication transmitter system, which may be incorporated with 5G broadband, over a 5-year period. The Group expects this project to contribute positively to its earnings commencing year 2023. The MyDIGITAL initiative and the Malaysia Digital Economy Blueprint as well as the introduction of 5G networks in Malaysia will augur well with the Group's efforts in continuing to secure more contracts related to, amongst others, 5G and fiber optic network projects.

In addition to the above, the Group will be continuously seeking market opportunities for the provision of its support services for satellite, mobile and fibre optic telecommunications networks. In this regard, the Group's on-going works include the installation of internet satellite(s) in Kelantan and the installation of up to 10 units of VSAT (very small aperture terminal) satellite in villages at Pahang. Furthermore, the Group had, amongst others, commenced discussion with telecommunication operators for provision of end-to-end contract works for the supply, delivery, construction, installation, testing, commissioning and decommissioning and maintenance of telecommunication operators' network infrastructure and equipment and related services. As at the LPD, the discussion is still on-going. The Company will make the necessary announcement(s) under the Listing Requirements, if required.

The utilities infrastructure services segment is carried out by the Company's 51%-owned subsidiary, Borderless Connection Sdn Bhd ("**BCSB**"). On 13 October 2021, Binasat completed the acquisition of 51% equity interest in BCSB for a purchase consideration of RM18.36 million, which was satisfied via a combination of RM5.36 million in cash and RM13.00 million via the issuance of 37,142,856 new Shares at an issue price of RM0.35 each. The Acquisition of BCSB involved an aggregate profit guarantee of RM8.00 million ("**Profit Guarantee**"), provided by the vendors for financial years ending 28 February 2022 and 28 February 2023 ("**Profit Guarantee Period**") or average profit guarantee of RM4.00 million per financial year during the Profit Guarantee Period. BCSB recorded a profit after tax of RM4.03 million for the financial year ended 28 February 2022. BCSB is registered with Construction Industry Development Board ("**CIDB**") as a Grade 7 contractor and able to bid and carry out any size projects irrespective of the contract values. BCSB will be continuously tender for more projects to meet the Profit Guarantee for the financial year ending 2023.

Premised on the above, the Board is cautiously optimistic of the Group's prospects for the FYE 2023 after having considered all relevant aspects, including the economic and industry outlook and global economic recovery from the COVID-19 pandemic

(Source: Management of Binasat)

6. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE

6.1 Share capital

The pro forma effects of the Proposed Free Warrants Issue on the share capital of the Company are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	388,295,506	⁽¹⁾ 97,181,083
Assuming full exercise of the Warrants	194,147,753	⁽²⁾ 44,653,983
Enlarged issued share capital	582,443,259	141,835,066

Notes:

(1) As reported in Binasat's audited financial statements for the FYE 2022.

(2) Assuming the Warrants are exercised at the assumed exercise price of RM0.23 each.

As at the LPD, the Company does not have any treasury shares.

6.2 NA and gearing

Based on the audited consolidated statements of financial position of the Company as at 30 June 2022, the effects of the Proposed Free Warrants Issue on the NA per Share and gearing ratio of the Group are set out below:

Group	Audited as at 30 June 2022 RM'000	(I) After completion of Proposed Free Warrants Issue RM'000	(II) After (I) and assuming full exercise of the Warrants RM'000
Share capital	97,181	97,181	141,835
Merger deficit	(16,052)	(16,052)	(16,052)
Retained profits	45,508	⁽¹⁾ 45,258	45,258
Equity attributable to owners of the Company	126,637	126,387	171,041
Non-controlling interests	5,002	5,002	5,002
Total equity	131,639	131,389	176,043
No. of shares in issue ('000)	388,296	388,296	582,443
NA per Share (RM)	0.34	0.34	0.30
Total borrowings	20,697	20,697	20,697
Gearing (times) ⁽²⁾	0.16	0.16	0.12

Notes:

- (1) *After deducting estimated expenses to be incurred in relation to the Proposed Free Warrants Issue of RM0.25 million, which will be funded via the Group's internally generated funds.*

The breakdown of the estimated expenses for the Proposed Free Warrants Issue are set out below:

Details of the utilisation	RM'000
<i>Professional fees which include, among others, advisory fees payable to the Adviser, solicitors and company secretary in relation to the Proposed Free Warrants Issue</i>	120
<i>Fees to authority (i.e., Bursa Securities)</i>	50
<i>Other incidental expenses in relation to the Proposed Free Warrants Issue such as printing, despatch and advertising costs, expenses to convene EGM and other miscellaneous/ contingency expenses</i>	80
Total	250

- (2) *Computed based on total borrowings (inclusive of lease liabilities) over total equity.*

6.3 Earnings and EPS

The Proposed Free Warrants Issue is not expected to have a material effect on the earnings of the Group for the FYE 2023. However, there will be a corresponding dilution in Binasat's consolidated EPS as a result of the increase in the number of Shares arising from the Proposed Free Warrants Issue (when the Warrants are exercised).

The potential effect of the Proposed Free Warrants Issue on the future earnings and EPS of the Group will depend upon, among others, the number of Shares issued pursuant to the exercise of Warrants at any point in time and the potential benefits from the utilisation of the proceeds. Although the EPS shall be correspondingly diluted as a result of the increase in the number of Shares upon the exercise of the Warrants, the Proposed Free Warrants Issue is expected to contribute positively to the Company's earnings thereafter through the utilisation of proceeds.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

6.4

Substantial shareholders' shareholdings

The pro forma effects of the Proposed Free Warrants Issue on the substantial shareholders' shareholdings in the Company as at the LPD based on the Company's Record of Depositors are as follows:

Name	As at the LPD ⁽¹⁾			(I) After completion of Proposed Free Warrants Issue			(II) ⁽²⁾ After (I) and assuming full exercise of the Warrants		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})	%	No. of Shares (^{'000})
Na Boon Aik	73,437	18.91	-	-	73,437	18.91	110,155	18.91	-
Na Bon Tiam	50,822	13.09	-	-	50,822	13.09	76,234	13.09	-
Dynamic Paradigm Sdn Bhd	31,429	8.09	-	-	31,429	8.09	47,143	8.09	-
Nik Abdul Hakim Bin Abd Razak	-	-	(³)31,429	8.09	-	-	-	-	(³)47,143
Mohd Solehuddin Bin Yahya	-	-	(³)31,429	8.09	-	-	-	-	(³)47,143
									8.09

Notes:

- (1) Based on the issued share capital of 388,295,506 Binasat Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 582,443,259 Binasat Shares.
- (3) Deemed interest by virtue of his interest in Dynamic Paradigm Sdn Bhd pursuant to Section 8 of the Act.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Implications of the Code on Take-Overs and Rules on Take-Overs pursuant to the exercise of the Warrants

The Proposed Free Warrants Issue will not give rise to any consequences of mandatory general offer obligations in accordance with the Code on Take-Overs and Rules on Take-Overs after completion of the Proposed Free Warrants and prior to exercise of the Warrants.

However, if any of the Major Shareholders, including Na Boon Aik and/or Na Bon Tiam exercise(s) his/ their Warrants resulting in his/ their and/ or persons acting in concert's shareholdings in Binasat:

- (i) increasing to above 33%; or
- (ii) increasing by more than 2% in any 6 months period in the event his/their and/ or persons acting in concert's shareholdings in Binasat is above 33% but not more than 50%,

they will be obliged to undertake a mandatory general offer after the exercise of the Warrants, as required under the Code on Take-Overs and Rules on Take-Overs.

Pursuant to subparagraph 4.08(1) of the Rules on Take-Overs, an offeror may apply for an exemption from a mandatory offer obligation when the issue of new securities as consideration for an acquisition, or a cash subscription, or the taking of a scrip dividend, would otherwise result in an obligation to make a mandatory offer. An exemption may be considered if the offeror exercises any conversion or subscription rights or options into new voting shares or voting rights.

In the event that the affected shareholder triggers an obligation to undertake a mandatory take-over offer under the Code on Take-Overs and Rules on Take-Overs arising from the exercise of the Warrants, a separate announcement will be made.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Free Warrants Issue is subject to the following approvals being obtained:

- (i) the approval of Bursa Securities for the:
 - (a) admission of the Warrants to the Official List, and listing and quotation of up to 194,147,753 Warrants; and
 - (b) listing and quotation of up to 194,147,753 new Binasat Shares arising from the exercise of the Warrants,

on the ACE Market;

The approval has been given by Bursa Securities in its letter dated 14 November 2022 subject to, amongst others, the following conditions:

Conditions		Status of compliance
(a)	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;	Noted
(b)	Binasat and TA Securities to inform Bursa Securities upon the completion of Proposed Free Warrants Issue;	To be complied
(c)	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	To be complied
(d)	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.	To be complied

- (ii) the approval of the Company's shareholders at an EGM to be convened; and
- (iii) the approvals/ consents of any other relevant authorities/ parties, if required.

The Proposed Free Warrants Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

8. CORPORATE EXERCISE/ SCHEME ANNOUNCED BUT PENDING COMPLETION

The Board confirms that the Company does not have any other outstanding corporate exercise/ scheme which has been announced by the Company but is pending implementation or completion prior to the printing of this Circular.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/ OR PERSONS CONNECTED WITH THEM

None of the Company's Directors, Major Shareholders, chief executive and/ or persons connected with them have any interest, direct or indirect, in the Proposed Free Warrants Issue other than their respective entitlements under the Proposed Free Warrants Issue as shareholders of the Company, to which all Entitled Shareholders are similarly entitled to.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Free Warrants Issue including, the rationale and effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interests of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Free Warrants Issue to be tabled at the forthcoming EGM.

11. ESTIMATED TIME FRAME FOR COMPLETION

Subject to all relevant approvals being obtained, the Proposed Free Warrants Issue is expected to be completed by 4th quarter 2022.

The tentative timetable for the Proposed Free Warrants Issue is as follows:

Events	Tentative timeline
• EGM for the Proposed Free Warrants Issue	30 November 2022
• Announcement of the Entitlement Date	Early December 2022
• Entitlement Date	Mid December 2022
• Listing of Warrants and completion of the Proposed Free Warrants Issue	End December 2022

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Wednesday, 30 November 2022 at 11:00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixth Annual General Meeting of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Free Warrants Issue.

You are entitled to attend and vote at the EGM or appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you may deposit the Proxy Form at the registered office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or email to vote2u@agmostudio.com not less than 48 hours before the time for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude you from participating and voting remotely at the EGM should you subsequently wish to do so, but if you do, your proxy(ies) shall be precluded from attending the EGM.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Your faithfully

For and on behalf of the Board

BINASAT COMMUNICATIONS BERHAD

TAN SRI DATUK CHAM HAK LIM

Independent Non- Executive Chairman

SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are set out as follows:

Terms	Details
Issue size	: Up to 194,147,753 Warrants
Form and constitution	: The Warrants will be issued in registered form and constituted by the Deed Poll to be executed by the Company.
Tenure	: 3 years commencing from and including of the date of issuance of the Warrants (" Issue Date ")
Expiry date	: The day preceding the third (3 rd) anniversary of the Issue Date and if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day (" Expiry Date ")
Exercise price	: The exercise price of the Warrants (" Exercise Price ") shall be determined by the Board at a later date after obtaining the relevant approvals but prior to the Entitlement Date. The Exercise Price and/ or the number of Warrants in issue during the exercise period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Exercise period	: The period commencing on and including the Issue Date and ending at 5.00 p.m. on the Expiry Date (" Exercise Period "). Any Warrant not exercised by the Expiry Date (as defined herein) will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	: A Warrant holder is required to lodge an exercise form with the Company's share registrar which is duly completed, signed and stamped together with payment by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office operating in Malaysia or by way of interbank transfer for the credit of an account maintained by the Company for the amount equal to the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Exercise rights	: Each Warrant shall entitle the Warrant holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Board lot	: For the purposes of trading on Bursa Securities, a board lot for the Warrants shall be 100 Warrants or such other denominations as permitted by any relevant authorities.
Adjustment in the exercise price and/ or number of Warrants	: The Exercise Price and/ or number of Warrants may be adjusted by the Board in consultation with an approved adviser appointed by the Company or the auditors of the Company in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

SALIENT TERMS OF THE WARRANTS (Cont'd)

Terms	Details
Rights of the Warrant Holders in the event of winding-up, liquidation, compromise or arrangement	<p>Where a resolution has been passed for a members' voluntary winding-up of the Company, or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:</p> <p>(i) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution of the Warrants holders, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders; and</p> <p>(ii) in the event a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, and in any other case and subject always to the provisions of Deed Poll, every Warrant holder shall thereupon be entitled to exercise his Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if the Warrant holder had on such date been the holder of the new Shares to which the Warrant holder would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all exercise rights shall lapse and cease to be valid for any purpose.</p>
Modifications of rights of the Warrant holders	Subject to the provisions of the Deed Poll, no amendment or addition may be made to the provisions of Deed Poll without the sanction of a special resolution of the Warrants holders unless the amendments or additions are required to correct any manifest errors or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders.
Transferability	The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Listing	The Warrants will be listed on the ACE Market.
Governing law	The laws of Malaysia.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular, and they individually and collectively accept full responsibility for the accuracy of the information contained in this Circular. The Board confirm that after having made all reasonable enquiries, and to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

2. CONSENT AND CONFLICT OF INTEREST

TA Securities, being the Adviser for Proposed Free Warrants Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular. TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Free Warrants Issue.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of the Group:

(i) **Shah Alam High Court Civil Suit No.: BA-22NCvC-518-11/2019 between Binasat Sdn Bhd ("Binasat SB") and Rosado Tradeline Sdn Bhd ("Rosado")**

This dispute relates to a sub-contract between Binasat SB and Rosado ("**Sub-Contract A**") under which Rosado has appointed Binasat SB as the subcontractor to carry out the works in respect of "Building the Fiber System - Implementation Services of Civil Infrastructure and Fiber Optic Cabling Works". It was alleged by Binasat SB that Rosado had unilaterally terminated the Sub-Contract A. On 22 November 2019, Binasat SB commenced this suit against Rosado claiming for among others, the following:

- (a) RM1,499,435.19 being the sum due and owing to Binasat SB for works carried out and completed for Rosado up to the date of the termination of the Sub-Contract A;
- (b) in the alternative to (a) above, a sum to be assessed by the Court on a quantum meruit basis on the value of the works carried out by Binasat SB;
- (c) loss of profits in the sum of RM3,264.99;
- (d) general damages to be assessed by the Court;
- (e) costs incurred by Binasat SB for the appointment of an independent quantity surveyor which is to be assessed by the Court;
- (f) interest at the rate of 5% per annum on the sum of RM1,499,435.19 from the date of filing this suit until the date of judgment, and from the date of judgment until the date of full realisation; and
- (g) costs.

Rosado had in response, counterclaimed against Binasat SB for general damages to be assessed by the Court and costs.

FURTHER INFORMATION (Cont'd)

Subsequently, in July 2021, Binasat SB had instructed its solicitors to file an application to amend its claim as follows (“**Amendment Application**”):

- (a) RM1,137,932.80 being the sum due and owing to Binasat SB for works carried out and completed for Rosado up to the date of the termination of the Sub-Contract A; and
- (b) loss of profits in the sum of RM39,097.02.

On 16 March 2022, the Court allowed the Amendment Application made by Binasat SB and this matter is now fixed for trial on 10 April 2023 to 13 April 2023.

Solicitors for Binasat SB are of the view that there is a reasonably good chance for Binasat SB to succeed in its main claim or alternative claim against the Rosado, and to defend against Rosado’s counterclaim.

The Board is of the view that this legal suit will not give rise to a negative impact on the financial performance and position of the Group as the ancillary cost related to the Sub-Contract A (including impairment losses on financial assets and contract assets) have been provided and accounted for in the Company’s audited financial statements in prior years.

(ii) **Kuala Lumpur High Court Civil Suit No.: WA-22C-14-01/2021 between Binasat SB and TT Frontiers Sdn Bhd (“TT Frontiers”)**

This dispute relates to a sub-contract between Binasat SB and TT Frontiers (“**Sub-Contract B**”) under which TT Frontiers has appointed Binasat SB as the subcontractor to undertake works and services including survey, construct and implement civil infrastructure and fiber optic cabling system.

It was alleged by Binasat SB that TT Frontiers had wrongfully terminated the Sub-Contract B.

On 27 January 2021, Binasat SB commenced this suit against TT Frontiers claiming for among others, the following:

- (a) RM1,269,790.58 being 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 Sub-Contract B;
- (b) in the alternative, RM825,955.75 being the outstanding sum admitted and valued by TT Frontiers for the works done by Binasat SB;
- (c) pre-judgment interest on (a) or (b) above at the rate of 2% per month from the due date for payment of the respective invoices issued by Binasat SB until the date of judgment, or in the alternative, 5% per annum from the due date for payment of the respective invoices issued by Binasat SB or from 11 June 2019 until the date of judgment;
- (d) costs;
- (e) general damages; and
- (f) post-judgment interest at the rate of 5% per annum on the judgment debt until the date of full payment of the judgment debt.

On 26 March 2021, due to TT Frontiers’ failure to enter its appearance within the stipulated time, Binasat SB successfully obtained a judgment in default against TT Frontiers for the sum of RM1,269,790.58 (“**JID**”).

FURTHER INFORMATION (Cont'd)

However, on 5 May 2021, TT Frontiers filed an application to set aside the JID ("**Setting Aside Application**").

During the hearing of the Setting Aside Application on 26 August 2021, the Court has made the following orders:

- (a) that the JID be set aside;
- (b) that TT Frontiers be allowed to file its defence within 21 days from 26 August 2021;
- (c) that TT Frontiers pays the sum of RM825,955.75 to Binasat SB's solicitors to be held pending disposal of this suit ("**Deposit Payment**"); and
- (d) that the orders set out in (a) and (b) above be automatically revoked and the JID be reinstated if TT Frontiers fail to pay the Deposit Payment to Binasat SB's solicitors by 15 September 2021.

Due to the failure of TT Frontiers to pay the sum of RM825,955.75 to Binasat SB's solicitors on 15 September 2021, accordingly the JID has been reinstated and the total outstanding sum of RM1,269,790.58 pursuant to the JID is due and owing by TT Frontiers to Binasat SB.

On 27 October 2022, Binasat SB has commenced winding up proceedings against TT Frontiers ("**Winding Up Proceedings**") vide Kuala Lumpur High Court Companies Winding Up No.: WA-28NCC-857-10/2022.

The Winding Up Proceedings has been fixed for case management on 7 December 2022, whereas the hearing of the same has been fixed on 31 May 2023.

The Board is of the view that this legal suit will not give rise to a negative impact on the financial performance and position of the Group as the ancillary cost related to the Sub-Contract B (including impairment losses on financial assets and contract assets) have been provided and accounted for in the Company's audited financial statements in prior years.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Material commitments

As at the LPD, save as disclosed below, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

	RM'000
<u>Approved and contracted for:</u>	
- Property, plant and equipment	41
<u>Approved and not contracted for:</u>	
- Telecommunication equipment	360
Total	401

FURTHER INFORMATION (Cont'd)

4.2 Contingent liabilities

As at the LPD, save for **Section 3** of this Appendix and disclosed below, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

Contingent liabilities	RM'000
Bank guarantees issued to the Group's customers for the purpose of performance bonds	1,996

5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Shares as traded on Bursa Securities for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<u>2021</u>		
November	0.390	0.280
December	0.325	0.280
<u>2022</u>		
January	0.330	0.270
February	0.315	0.280
March	0.285	0.260
April	0.295	0.270
May	0.275	0.235
June	0.260	0.210
July	0.250	0.210
August	0.270	0.230
September	0.245	0.195
October	0.230	0.195

Last transacted market price on 13 October 2022 (being the last trading date prior to the announcement of the Proposed Free Warrants Issue) was RM0.205 per Binasat Share.

Last transacted market price on 31 October 2022 (being the LPD prior to the printing of this Circular) was RM0.225 per Binasat Share.

(Source: Bloomberg)

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

FURTHER INFORMATION (Cont'd)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Binasat at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from 9.00 a.m. to 5.00 p.m. between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the Company's Constitution;
- (ii) the audited consolidated financial statements of the Company for the FYE 2021 and FYE 2022;
- (iii) the letter of consent and conflict of interest as referred to in **Section 2** above;
- (iv) the draft Deed Poll in relation to the Proposed Free Warrants Issue; and
- (v) The relevant cause papers in relation to the material litigation, claims and arbitration as referred to in **Section 3** above.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]



BINASAT COMMUNICATIONS BERHAD

(Registration No. 201701008491 (1222656-D))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Binasat Communications Berhad (“**Binasat**” or “**Company**”) will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities via <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Wednesday, 30 November 2022 at 11:00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixth Annual General Meeting of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modifications the resolution below:

ORDINARY RESOLUTION

PROPOSED FREE WARRANTS ISSUE OF UP TO 194,147,753 FREE WARRANTS (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED FREE WARRANTS ISSUE”)

“**THAT** subject to the approvals of all relevant authorities or parties being obtained, where required, the Board be and is hereby authorised to allot and issue up to 194,147,753 Warrants in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants (“**Deed Poll**”), to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business at 5.00 p.m. on a day to be determined and announced later (“**Entitled Shareholders**”), on the basis of 1 Warrant for every 2 existing ordinary shares in the Company (“**Shares**”) held by the Entitled Shareholders;

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants at a later date and that the Board be and is hereby authorised to allot and issue the new Binasat Shares arising from the exercise of the Warrants by the holders of the Warrants in accordance with the Deed Poll and such new Binasat Shares shall, upon allotment and issuance, carry the same rights with the then existing Binasat Shares. However, such new Shares will not be entitled to any dividends, rights, allotment and/ or any other distributions which may be declared, made or paid to the Company’s shareholders unless such new Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions. The holders of the Warrants will not be entitled to any voting rights or participation in any form of dividends, distributions and/ or offer of securities in Binasat until and unless such holders of the Warrants exercise their Warrants into new Binasat Shares;

THAT the Board be and is hereby authorised to deal with fractional entitlements (if any), including disregarding and/ or to be dealt with under the Proposed Free Warrants Issue, in such manner at its absolute discretion as the Board may deem fit and expedient and in the best interests of the Company;

THAT the proceeds arising from the exercise of the Warrants, if any, be utilised for the purposes set out in the circular to the shareholders of Binasat in relation to the Proposed Free Warrants Issue (“**Circular**”), and the Board be authorised with full power to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient, subject to the approval of the relevant authorities, where required;

THAT approval be and is hereby given to the Board to allot and issue such appropriate number of Warrants in accordance with the provisions of the Deed Poll, including any additional Warrants as may be required or permitted to be issued as a consequence of any adjustments in accordance with the terms and conditions of the Deed Poll and to adjust from time to time the exercise price and/ or number of the Warrants to which the holder(s) of the Warrants are entitled to be issued as a consequence of the adjustments under the provisions of the Deed Poll and to allot and issue further new Shares as may be required or permitted to be issued pursuant to such adjustments and upon any exercise by the holders of such additional Warrants;

THAT the Board be and is hereby authorised to finalise, enter into, execute and deliver for and on behalf of the Company, the Deed Poll with full power to assent to any conditions, modifications, variations and/ or amendments as may be imposed or permitted by the relevant authorities or as may be deemed necessary by the Board, and to take all steps as the Board may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll (including, without limitation, the affixing of the Company's common seal, where necessary);

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Free Warrants Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or imposed by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may consider necessary or expedient to implement, finalise and give full effect to Proposed Free Warrants Issue.”

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)
JANICE CHAN MEI LING (MAICSA 7058726) (SSM PC No. 202208000047)

Company Secretaries

Selangor Darul Ehsan
15 November 2022

NOTES:

1. *The EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Agmo Digital Solutions Sdn. Bhd. through its Vote2U Online website at <https://web.vote2u.my>.*

Please refer to the Administrative Guide for the EGM for the procedures to register, participate and vote remotely through the RPV facilities.

2. *The conduct of the fully virtual EGM is in compliance with Section 327 of the Companies Act 2016 and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.*
3. *A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote in his/ her stead via RPV facilities. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
4. *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.*
5. *Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.*
6. *An instrument appointing a proxy must be in writing under the hand of the appointer or his/ her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*
8. *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the EGM:-*

(a) **In Hardcopy Form**

The Proxy Form or the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(b) **By Electronic Means**

The Proxy Form shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.

9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM will be put to vote by way of poll.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

PROXY FORM



CDS account no.:	
No. of shares held:	
Email address:	
Contact no.:	

BINASAT COMMUNICATIONS BERHAD

Registration No: 201701008491 (1222656-D)
(Incorporated in Malaysia)

*I/We, (full name in block), _____

*NRIC No./ Passport No./ Registration No. _____

of (full address) _____

being a *member/ members of BINASAT COMMUNICATIONS BERHAD, hereby appoint:

Name of Proxy (Full Name)	NRIC/ Passport/ Registration No.	Proportion of Shareholding (Refer to Note 4)	
		No. of Shares	%
Full Address			
Contact no.			
Email Address			

*and/or failing him/her,

Name of Proxy (Full Name)	NRIC/ Passport/ Registration No.	Proportion of Shareholding (Refer to Note 4)	
		No. of Shares	%
Full Address			
Contact no.			
Email Address			

*or failing him/ her, the Chairman of the Meeting as *my/ our proxy to participate and vote for *me/ us and on *my/ our behalf at the Extraordinary General Meeting which will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Wednesday, 30 November 2022 at 11:00 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Sixth Annual General Meeting of the Company scheduled to be held on the same day at 10:00 a.m., whichever is later, and to vote as indicated below in respect of the following resolution:

Ordinary Resolution	For	Against
Proposed Free Warrants Issue		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

* strike out whichever is not applicable.

Dated this _____ day of _____ 2022

.....
*Signature/Common Seal of member(s)



Fold this flap for sealing

NOTES:-

1. The EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Agmo Digital Solutions Sdn. Bhd. through its Vote2U Online website at <https://web.vote2u.my>.

Please refer to the Administrative Guide for the EGM for the procedures to register, participate and vote remotely through the RPV facilities.

2. The conduct of the fully virtual EGM is in compliance with Section 327 of the Companies Act 2016 and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.
3. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead via RPV facilities. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with provisions of subsection 25A(1) of SICDA.

Then fold here

AFFIX
STAMP

Binasat Communications Berhad
Registration No. 201701008491 (1222656-D)

c/o Boardroom Corporate Services Sdn Bhd
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

1st fold here

6. An instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
7. In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
8. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the EGM:-

(a) In Hardcopy Form

The Proxy Form or the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(b) By Electronic Means

The Proxy Form shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.

9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in the Notice of EGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 15 November 2022.