



BINASAT COMMUNICATIONS BERHAD
[Registration No: 201701008491 (1222656-D)]
(Incorporated in Malaysia under the Companies Act 2016)



CONTENTS

2	Corporate Profile
3	Corporate Structure
4	Corporate Information
5	5 Years Financial Highlights
6 - 11	Management Discussion and Analysis
12 - 25	Sustainability Statement
26 - 32	Profile of Directors
33 - 35	Key Senior Management Profile
36 - 49	Corporate Governance Overview Statement
50	Statement of Directors' Responsibility in Relation to the Financial Statements
51 - 55	Statement on Risk Management and Internal Control
56 - 59	Audit and Risk Management Committee Report
60 - 62	Additional Compliance Information

FINANCIAL STATEMENTS

Directors' Report	63 - 67
Statement by Directors	68
Statutory Declaration	68
Independent Auditors' Report	69 - 73
Statements of Financial Position	74 - 75
Statements of Profit or Loss and Other Comprehensive Income	76 - 77
Statements of Changes in Equity	78 - 79
Statements of Cash Flows	80 - 81
Notes to the Financial Statements	82 - 143
List of Properties	144
Analysis of Shareholdings	145 - 146
Analysis of Warrantholdings	147 - 148
Notice of Annual General Meeting	149 - 153
Statement Accompanying Notice of Annual General Meeting	154
Proxy Form	

CORPORATE PROFILE



ABOUT US

Binasat Communications Berhad (“Binasat” or “the Company”) and its subsidiaries (“Binasat Group” or “the Group”) started its business in 2000 and became publicly listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) in 2018.

Currently, the Group is primarily involved in the provision of supporting services for the three (3) main telecommunications mediums in Malaysia, namely satellite, mobile and fibre optic telecommunication networks. The Group provides these services to major telecommunication companies in Malaysia, either directly or indirectly through equipment suppliers.

The Group provides services such as Very Small Aperture Terminal (“VSAT”) Network Engineering, Mobile Network Engineering, Fibre Network Engineering, Satellite Hub/ Teleport and Digital Satellite News Gathering (“DSNG”) services.



Our Vision

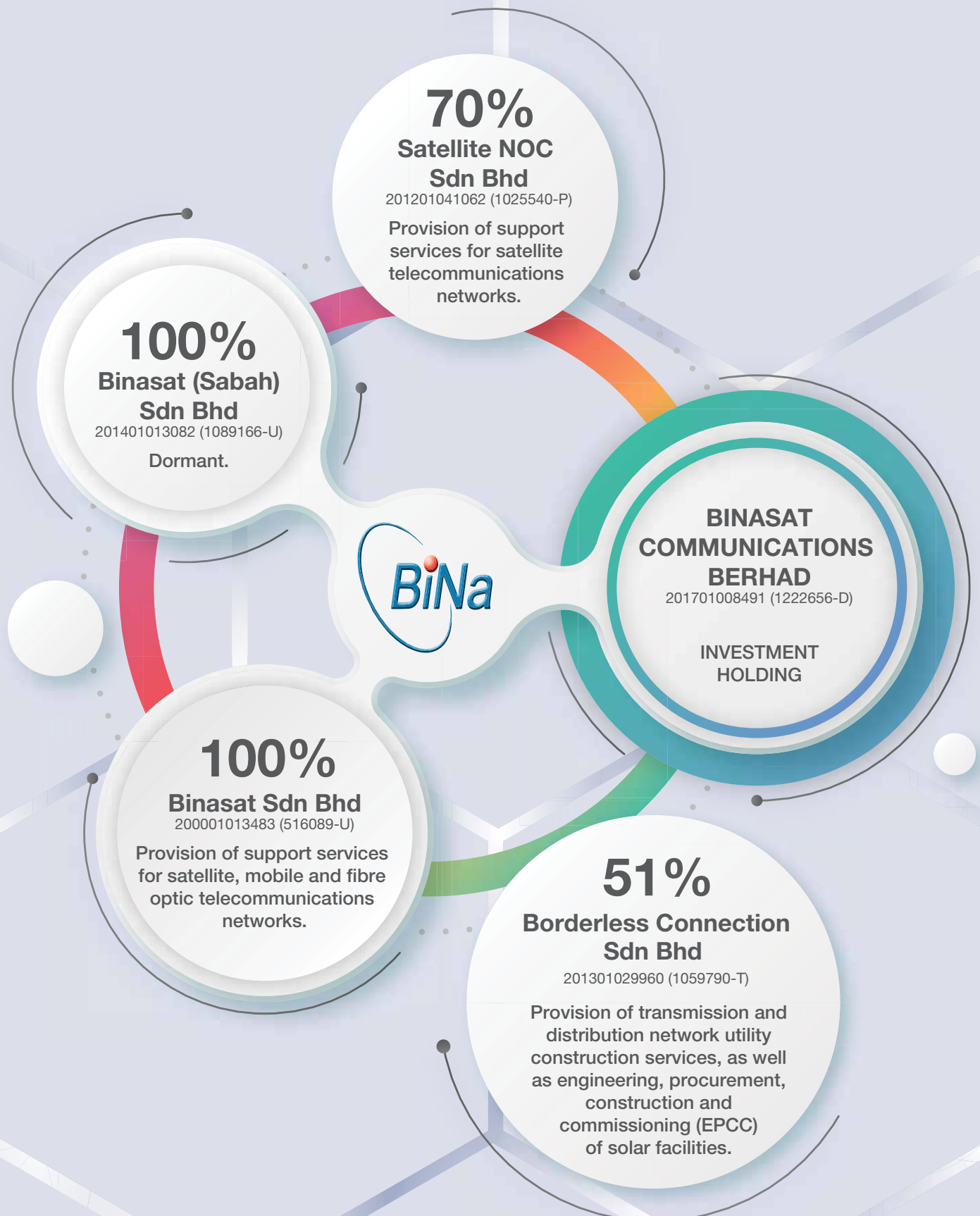
The leading provider of satellite, mobile and fibre optic network support services



Our Mission

Exceeding customer expectations through timely delivery of our innovative solutions and quality services

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATUK CHAM HAK LIM

*Independent Non-Executive
Chairman*

ONG SOON LIM

Group Managing Director

ZULAMRAN BIN HAMAT

*Executive Director cum
Chief Executive Officer*

DATO' SEOW THIAM FATT

*Senior Independent
Non-Executive Director*

SHARON NG SAW EAN

*Independent Non-Executive
Director*

YEONG SIEW LEE

*Independent Non-Executive
Director*

TEH LI KING

*Non-Independent Non-Executive
Director*

AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Seow Thiam Fatt
Chairman

Tan Sri Datuk Cham Hak Lim
Member

Yeong Siew Lee
Member

REMUNERATION COMMITTEE

Sharon Ng Saw Ean
Chairperson

Tan Sri Datuk Cham Hak Lim
Member

Dato' Seow Thiam Fatt
Member

NOMINATION COMMITTEE

Sharon Ng Saw Ean
Chairperson

Tan Sri Datuk Cham Hak Lim
Member

Dato' Seow Thiam Fatt
Member

COMPANY SECRETARIES

Wong Youn Kim
(MAICSA 7018778)
SSM PC No. 201908000410

Lim Li Heong
(MAICSA 7054716)
SSM PC No. 202008001981

Wong Mee Kiat
(MAICSA 7058813)
SSM PC No. 202008001958

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5,
Horizon 2, Bangsar South City,
59200 Wilayah Persekutuan
Kuala Lumpur, Malaysia
Tel : (03) 2280 6388
Fax : (03) 2280 6399
Email : listcomalaysia@acclime.com

HEAD OFFICE

Menara Binasat, Lot PT 13824,
Jalan Teknologi 4,
Technology Park Malaysia,
Bukit Jalil, 57000 Kuala Lumpur.
Tel : (03) 9546 1881
Fax : (03) 9546 1850
E-mail : contact@binagroup.com.my
Website : www.binacom.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7890 4700
Fax : (03) 7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

AUDITORS

ECOVIS Malaysia PLT
Registration No. 201404001750
(LLP0003185-LCA) (AF001825)
Chartered Accountants
No. 9-3, Jalan 109F
Plaza Danau 2, Taman Danau Desa
58100 Kuala Lumpur
Tel : (03) 7981 1799
Fax : (03) 7980 4796

PRINCIPAL BANKER

Public Bank Berhad
Registration No. 196501000672
(6463-H)
Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : (03) 2176 6000
Fax : (03) 2163 9917

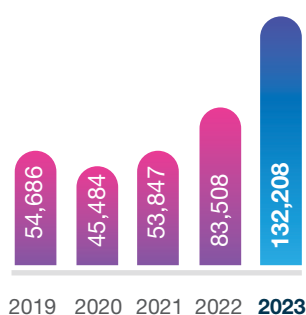
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Ace Market
Sector : Telecommunications &
Media
Stock Name : BINACOM
Stock Code : 0195

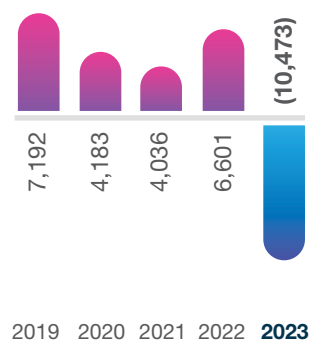
5 YEARS FINANCIAL HIGHLIGHTS

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023 (18 months)
PROFITABILITY	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	54,686	45,484	53,847	83,508	132,208
Profit/(Loss) Before Taxation ("PBT"/"LBT")	7,192	4,183	4,036	6,601	(10,473)
Profit/(Loss) After Taxation ("PAT"/"LAT")	4,599	3,211	2,427	5,420	(12,484)
Net Profit/(Loss) Attributable to Owners of the Company	4,874	2,926	2,378	4,804	(13,511)
FINANCIAL POSITION					
Total Assets	94,394	107,266	117,146	166,809	170,228
Equity Attributable to Owners of the Company	74,567	78,862	88,041	126,637	112,992
Total Borrowings	8,229	20,562	20,055	20,697	21,616
Number of Ordinary Shares ('000)	260,000	264,368	286,437	388,296	388,296
Weighted Average Number of Ordinary Shares in Issue ('000)	260,000	262,315	275,651	350,829	388,296
SHARE INFORMATION					
Earnings/(Loss) Per Share (Sen) ("EPS")	1.87	1.12	0.86	1.37	(3.48)
Net Assets Per Share Attributable to Owners of the Company (Sen)	28.68	29.83	30.74	32.61	29.10
Gross Gearing Ratio (Times)	0.11	0.26	0.23	0.16	0.19
Return on equity (%)	6	4	3	4	(11)

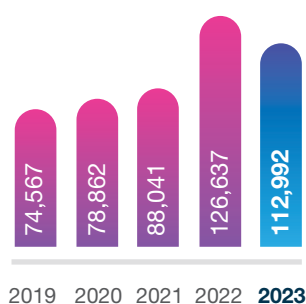
REVENUE
(RM'000)



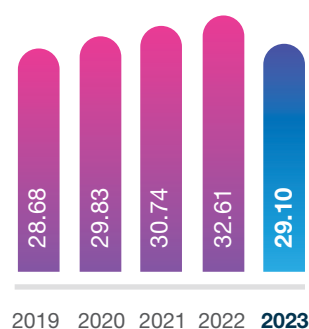
PBT/(LBT)
(RM'000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY
(Sen)



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Esteemed Shareholders,

On behalf of the Board of Directors (the “Board”), we hereby present the Annual Report and Audited Financial Statements of Binasat Group for the financial period ended 31 December 2023 (“FPE 2023”).

OVERVIEW OF THE GROUP’S BUSINESS AND OPERATIONS

Binasat Group is principally involved in two (2) major business segments as follows: -

- (i) provision of support services for the three (3) key telecommunications network mediums in Malaysia, namely satellite, mobile and fibre optic telecommunications networks. Our services include VSAT Network Engineering Services, Mobile Network Engineering Services, Fibre Network Engineering Services, Satellite Hub/ Teleport, Digital Satellite News Gathering Services and BinaNet Satellite Internet Services; and
- (ii) provision of power and telecommunication infrastructure works.

As at 31 December 2023, Binasat Group has 402 employees with 52 support centres, having more than 6,000 VSAT and 11,000 mobile Base Transceiver Station (“BTS”) installed within Malaysia. Given a proven track record of more than 13 years, Binasat Group always strives to deliver timely and quality services to customers in Malaysia.

FINANCIAL PERFORMANCE REVIEW

Summary of Statement of Comprehensive Income

	FPE 2023 (18 Months) RM’000	FYE 2022 (12 Months) RM’000
Revenue	132,208	83,508
Gross Profit (“GP”)	18,260	17,425
(LBT)/PBT	(10,473)	6,601
(LAT)/PAT	(12,484)	5,420
Key Financial Ratios		
GP Margin (%)	13.8	20.9
(LBT)/PBT Margin (%)	(7.9)	7.9
(LAT)/PAT Margin (%)	(9.4)	6.5

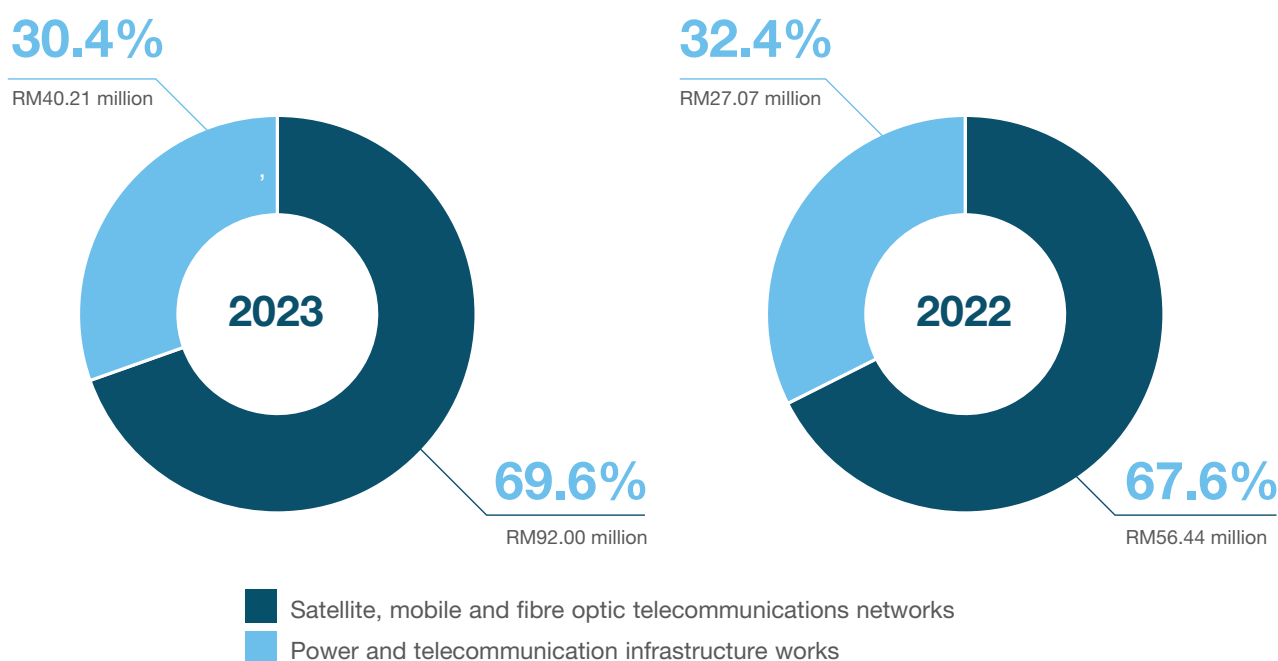
The Group has changed its financial year end from 30 June to 31 December during this financial period, resulting in an 18-month period reported from 1 July 2022 to 31 December 2023 (“FPE 2023”). As such, there will be no direct comparative financial information available for the financial year ended 30 June 2022 (“FYE 2022”).

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL PERFORMANCE REVIEW (cont'd)

The Group's revenue by business segmentation for FPE 2023 and FYE 2022 are shown as follows: -



In FPE 2023, our satellite, mobile and fibre optic telecommunications networks segment continued to be the Group's largest revenue contributor, contributed RM92.00 million or 69.6% of the Group's revenue while the remaining RM40.21 million or 30.4% was derived from our power and telecommunication infrastructure works segment, maintaining a similar proportion to the FYE 2022.

Our Group recorded an increase in GP by RM0.83 million from RM17.43 million in FYE 2022 to RM18.26 million in FPE 2023. Despite the increase in our GP, our GP margin decreased by 7.1%, from 20.9% in FYE 2022 to 13.8% in FPE 2023, primarily due to increase in costs resulting from higher labour costs, subcontractor charges and higher material costs for the purchase of fibre optic cables and other accessories required for our projects within both business segments.

In FPE 2023, our Group reported a LBT and a LAT of RM10.47 million and RM12.48 million respectively, mainly due to an impairment of goodwill amounting to RM16.10 million arising from the lower recoverable amount of investment in our 51% owned subsidiary, Borderless Connection Sdn Bhd ("BCSB"). Excluding the said impairment, our Group would have reported a PBT and a PAT of RM5.63 million and RM3.62 million respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL POSITION REVIEW

Summary of Statement of Financial Position

	As at 31 December 2023 RM'000	As at 30 June 2022 RM'000	Variance	
			RM'000	%
Assets				
Non-current Asset	49,980	69,147	(19,167)	(27.7)
Current Asset	120,248	97,662	22,586	23.1
Total Assets	170,228	166,809	3,419	2.0
Liabilities				
Non-current Liabilities	18,662	19,820	(1,158)	(5.8)
Current Liabilities	32,539	15,350	17,189	112.0
Total Liabilities	51,201	35,170	16,031	45.6
Net Assets ("NA")	119,027	131,639	(12,612)	(9.6)
Financial Ratios				
NA per share attributable to Owners of the Company (sen)	29.10	32.61		
Current Ratio (times)	3.70	6.36		
Gearing Ratio (times)	0.19	0.16		

Our Group's total assets increased by RM3.42 million or 2.0%, from RM166.81 million as at 30 June 2022 to RM170.23 million as at 31 December 2023. The increase was mainly due to increase in trade receivables and other receivables by RM36.11 million resulting from higher number of projects undertaken during FPE 2023. The overall increase in total assets was partially offset by an impairment of goodwill amounting to RM16.10 million, decrease in cash and bank balances by RM8.40 million, decrease in investment properties by RM5.51 million following the disposal of two (2) units of investment properties during FPE 2023 as well as decrease in short term investment in money market deposit by RM3.93 million.

Our Group's total liabilities increased by RM16.03 million or 45.6%, from RM35.17 million as at 30 June 2022 to RM51.20 million as at 31 December 2023. The increase was primarily due to increase in trade payables and other payables by RM15.97 million resulting from higher number of projects undertaken during FPE 2023.

As an overall, despite the Group was making losses during FPE 2023, our financial position remains healthy with a NA of RM119.03 million and NA per share attributable to owners of the Company of 29.10 sen while our current ratio stood at 3.70 times and recorded a low gearing ratio of 0.19 times as at 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FINANCIAL POSITION REVIEW (cont'd)

Summary of Statement of Cash Flows

	FPE 2023 RM'000	FYE 2022 RM'000
Net cash used in operating activities	(15,458)	(224)
Net cash from/ (used in) investing activities	7,438	(8,665)
Net cash (used in)/ from financing activities	(4,313)	16,834
Net (decrease)/ increase in cash and cash equivalents ("CCE")	(12,333)	7,945
Effect of exchange rate changes on CCE	(2)	169
CCE at the beginning of the financial year	42,530	34,416
CCE at the end of the financial year	30,195	42,530

In FPE 2023, the Group recorded a negative operating cash flow of RM15.46 million as compared RM0.22 million in FYE 2022, primarily due to the significant decrease in our PBT by RM17.07 million.

The Group's net cash from investing activities of RM7.44 million in FPE 2023 was primarily attributable to the proceeds from disposal of two (2) units of investment properties amounting to RM10.50 million. The cash inflow was partially offset by the purchase of property, plant and equipment amounting to RM3.51 million, mainly consists of telecommunication equipment, tools and equipment as well as motor vehicles.

The Group's net cash used in financing activities of RM4.31 million in FPE 2023 was mainly attributable to the repayment of hire purchase payables and lease liabilities as well as interest expenses amounting to RM1.84 million, RM1.10 million and RM1.24 million respectively.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2023, the Company's share capital amounted to RM97.05 million, consisting of 388,295,506 ordinary shares with a NA per share attributable to owners of the Company of 29.10 sen.

The Group finances its operations with cash generated from operations, credit extended by trade creditors and financial institutions as well as cash and bank balances. Banking facilities granted by the financial institutions include term loans, trade bills and finance leases.

During FPE 2023, the Group incurred capital expenditure of RM6.78 million as follows: -

Capital Expenditure	RM'000
Building	257
Computers	146
Furniture, Fittings and Equipment	138
Motor Vehicles	1,903
Telecommunication Equipment	913
Renovation	42
Tools and Equipment	2,106
Construction Work-in-Progress	1,272
Total	6,777

As at 31 December 2023, our capital commitments are as follows: -

Capital Commitment	RM'000
Approved and not contracted for:	
- Construction of telecommunication tower	289

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ANTICIPATED AND KNOWN RISKS

Business Risk

The Group is subjected to risks inherent in the telecommunication sector which may include but not limited to changes in general economic conditions, government regulations, changes in sale prices, rapid changes in technology and the risk of default in payment by its customers.

To mitigate these risks, the Group has implemented prudent business strategies, continuously review its operational and marketing strategies, improves operational costs and closely monitors projects undertaken.

Operational Risk

In the event of delay to delivery or perform our services in accordance with the stipulated timeframes and in the event of our personnel and subcontractor failed to meet the customers service level requirement, it may result in exposure to liquidated damages or service level penalties which will then adversely affect our business operations and financial performance.

The Group continues to mitigate these risks by closely monitor our project and delivery schedules so as to minimise any delay in project completion or delivery of equipment or services to our customers. We also closely monitor our operational processes, as well as training and certification of our personnel or subcontractor in order to meet our customers' requirements.

Compliance Risk

The Group is required to comply with various regulatory requirements and guidelines to retain our business licenses and permits required in the industry. In the event of non-renewal of major permits and licenses or non-compliance with the government rules and regulations, it could lead to adverse impact on the Group's business operations, reputation and exposure to corporate liability risks such as fines and penalties.

To address this risk, the Group remains proactive and closely monitors the deadline for renewal of licenses and permits as well as the latest changes in regulatory rules and regulations so as to avoid any non-compliance, delay or expiry of our licenses and permits.

Competition Risk

The Group faces competition from other network support service providers. Failure to compete effectively could materially affect the Group's business and financial performances as a whole.

To address this risk, the Group continues to build our competitive advantages and key strengths by improving our services quality to meet or exceed our customers' expectations. We also strive to improve our service efficiency level in order to reduce costs to maintain our price competitiveness.

FUTURE PROSPECTS AND OUTLOOK

The telecommunications industry in Malaysia is a dynamic and competitive industry that continues to evolve with technological advancements and changing consumer needs. With the upcoming deployment of 5G technology, expansion of digital services, and increasing demand for connectivity, the market offers significant growth opportunities for telecommunication operators.

The Malaysian Government has rolled out several initiatives such as the Jalanan Digital Negara ("JENDELA") to boost the efficiency of national digital infrastructure through three (3) primary components including fiberisation of premises, upgrade of base stations, and increase the number of new mobile towers built. JENDELA aims to achieve 100% internet connectivity for populated areas, increase mobile broadband speed to 100 Mbps and deliver fibre connection for nine (9) million premises by the end of 2025. This strategic initiative would provide an opportunity for the Group to expand its business.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FUTURE PROSPECTS AND OUTLOOK *(cont'd)*

In line with the JENDELA initiatives, the Group has invested in a total of five (5) units horizontal directional drilling (“HDD”) machines to meet the strong demand for comprehensive fibre infrastructure rollout services. The adoption of HDD machines allows the Group to improve the accuracy, efficiency and consistency of our fibre infrastructure installation and reduce our dependency on external subcontractors.

During FPE 2023, the Group has secured several new contracts for system integration with a total contract value of approximately RM10.00 million, and frame contracts for manpower supply for three-years period. These contracts are expected to take effect from first or second quarter of 2024. The Group expects to secure more managed services related frame contracts spanning at least two (2) to five (5) years in the coming quarters. Separately, we also actively participating in negotiations for other telecommunication connectivity projects, network utility infrastructure construction services and large-scale solar projects to increase our revenue stream. Furthermore, the Group, in collaboration with Binalite Engineering Sdn Bhd, had on 20 March 2024 secured a project valued at RM58.26 million, awarded by Tenaga Nasional Berhad.

On 12 January 2024, the Group officially became an associate company of Hextar Capital Berhad (formerly known as Opcom Holdings Berhad) (“Hexcap”). This strategic decision is poised to fortify the Group’s position as a key player in enhancing telecommunication support services across satellite, mobile and fibre optic networks, as well as in transmission and distribution for network utility infrastructure construction services. This collaboration not only unlocks synergies and strategic initiatives that aligned with the Group’s telecommunications expertise, but also provides mutually beneficial prospects for tapping into new markets and delivering innovative solutions. By leveraging the Group’s Network Facilities Provider License alongside with Hexcap’s industry proficiency, we aim to bolster our capabilities and broaden our service offerings to effectively serve both our existing and potential customers.

Moving forward, the Group remains committed to take prudent approach in monitoring operations, deliver good quality services to customers and tender for more projects in order to ensure business sustainability and enhance shareholders’ value.

DIVIDEND

No dividend was declared or paid in FPE 2023 as the Company is currently prioritising on strengthening its business and operations in order to ensure a long-term growth.

Currently, the Company does not have any formal dividend policy. Any recommendation or declaration is at the discretion of the Board and subject to various factors, including financial performance, capital expenditure requirements, cash flow management and other factors considered relevant by the Board.

APPRECIATION

On behalf of the Board, I would like to express my utmost gratitude to our esteemed stakeholders, including our shareholders, customers, business associates, industry partners, financial institutions, regulatory agencies as well as our employees for their continued trust and unwavering support to the Group.

I would like to express my sincere pleasure to be appointed as the Group Managing Director of Binasat this year. Additionally, I warmly welcome Ms. Sharon Ng Saw Ean, Ms. Yeong Siew Lee and Mr. Teh Li King as the new members of the Board. We are delighted to have them in our team as they bring their expertise to further strengthen the Group.

I also wish to express our sincere gratitude to our former Board members, Mr. Na Boon Aik, Dato’ Tan Yee Boon and Datin Gan Kok Ling for their dedicated service and contributions to the Group in the past. We wish them every success in their future endeavours.

Moving forward, we will continue to seize business opportunities and implement prudent business strategies and will proceed cautiously to enhance our existing businesses to deliver stakeholders’ value in the years ahead.

Thank you.

Ong Soon Lim
Group Managing Director

SUSTAINABILITY STATEMENT

Dear Valued Shareholders,

In an era where connectivity and infrastructure development are pivotal for societal progress, Binasat is dedicated to spearhead sustainable innovation and responsible development. At Binasat, we understand the importance of maintaining a balance between technological progress and infrastructure expansion, while upholding a steadfast dedication to sustainability.

In this regard, we are not only shaping the digital landscape, but also strive to safeguard our environment and empower our local communities. We integrate economic vitality with environmental responsibility and social equity. Together, we are working towards a brighter and more interconnected future where innovation propels advancement, environments flourish and communities prosper.

The Board is pleased to present this Sustainability Statement ("Statement") for the FPE 2023, demonstrating our sustainability initiatives and strategic efforts in addressing the Group's sustainability risks and opportunities within the Economic, Environment, Social and Governance ("EESG") contexts.

SCOPE AND REPORTING PERIOD

This Statement highlights the Group's sustainability efforts and performances within our business operations for the period from 1 July 2022 to 31 December 2023, unless otherwise specified.

Our Group's business operations include: -

- Provision of support services for satellite, mobile and fibre optic telecommunication networks; and
- Provision of transmission and distribution network utility construction services as well as engineering, procurement, construction and commissioning ("EPCC") of solar facilities.

REPORTING BASIS AND GUIDELINES

This Statement was prepared based on all available internal information in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") ACE Market Listing Requirements ("AMLR") relating to the sustainability statement and its Sustainability Reporting Guide (3rd Edition). Moreover, we have referred to the United Nations ("UN") Sustainable Development Goals ("SDG") in mapping our material sustainability matters and developing the Group's sustainability strategies.

MATERIAL MATTERS ASSESSMENT

During FPE 2023, we conducted a material matters assessment to identify and evaluate the Group's material sustainability risks and opportunities which are most relevant to our Group and various stakeholders within the EESG contexts.

Please refer to our Material Matters Matrix within this Statement for further details.

FEEDBACK

Feedback from stakeholders is vital for our continuous improvement in our sustainability performance and reporting standard. All relevant comments or feedbacks can be directed to contact@binagroup.com.my.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY GOVERNANCE STRUCTURE





In Binasat, the Board is entrusted to lead and oversee the Group's sustainability initiatives and strategies while providing guidance on sustainability management. Recognising the critical role of risk management and internal controls system in our corporate governance and business sustainability, the Board has entrusted ARMC with the tasks of assessing the adequacy and efficacy of these systems.

On the other hand, the NC and RC are tasked to ensure the overall effectiveness and succession planning of the Board and Senior Management. This involves diligently tracking and evaluating their performance, as well as recommending appropriate remuneration packages to retain and motivate the right talents. These measures are vital to ensure that sustainability permeates every level of our organisation, starting from its leadership.

STAKEHOLDERS ENGAGEMENT







Acknowledging the importance of fostering collaboration and driving positive outcomes with stakeholders, our sustainability approach places stakeholder engagement at its core. Our stakeholders, including shareholders, employees, customers, suppliers, government, financial institutions, local community and the media, play integral roles in our decision-making processes to ensure alignment with our values and goals. Through open communication and on-going interactions, we strive to gain valuable insights into our stakeholders' needs and expectations. This enables us to craft sustainable strategies tailored to the Group's long-term growth and success.

During FPE 2023, we have engaged with our various stakeholders via the following approaches: -

Stakeholders	Areas of Interest/Concern	Engagement Approaches
Shareholders/ Investors 	<ul style="list-style-type: none"> Investment returns and associated risks Sustainable business growth Financial and operational performances Share price performance Corporate governance 	<ul style="list-style-type: none"> Quarterly financial results Annual report General meetings Company website Bursa announcements Press release
Employees 	<ul style="list-style-type: none"> Career growth and opportunities Competitive remuneration and benefits Occupational health and safety Training and development 	<ul style="list-style-type: none"> Performance appraisal Training and development programmes Engagement with Management Company events

SUSTAINABILITY STATEMENT

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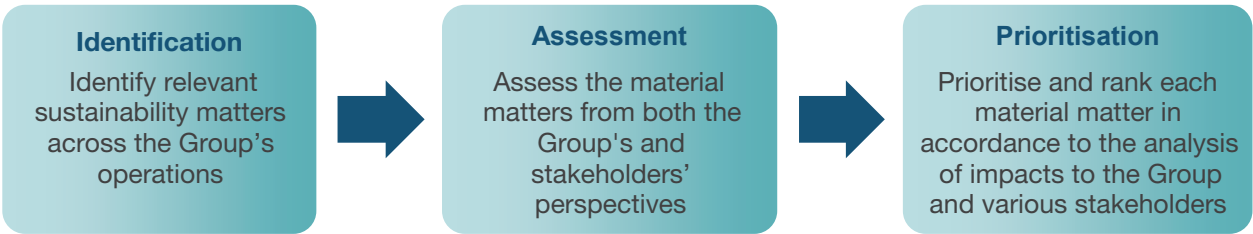
Stakeholders	Areas of Interest/Concern	Engagement Approaches
Customers 	<ul style="list-style-type: none"> Quality and on-time project delivery Proper project management and communication Customer satisfaction 	<ul style="list-style-type: none"> Meetings Site visit Company website
Suppliers 	<ul style="list-style-type: none"> Sustainable business relationships Fair and transparent procurement procedures Fair credit terms and timely payments 	<ul style="list-style-type: none"> Email communications Physical interaction
Government/Regulators 	<ul style="list-style-type: none"> Legal compliance Corporate governance Occupational health and safety Timely and transparent disclosures 	<ul style="list-style-type: none"> Compliance audit Renewal of licenses and permits Meetings and visits Bursa announcements
Financial Institutions 	<ul style="list-style-type: none"> Financial and operational performances Funding requirement 	<ul style="list-style-type: none"> Bursa announcements Quarterly financial results Annual report Company website
Community 	<ul style="list-style-type: none"> Local job creation and economic support Community well-being Environmental impact from business operations 	<ul style="list-style-type: none"> Company website Community outreach programmes
Analyst/Media 	<ul style="list-style-type: none"> Financial and operational performances Share price performance Business growth and expansion plans Corporate governance 	<ul style="list-style-type: none"> Quarterly financial results Annual report Bursa announcements Press release General meetings Company website

SUSTAINABILITY STATEMENT cont'd

MATERIAL MATTERS ASSESSMENT

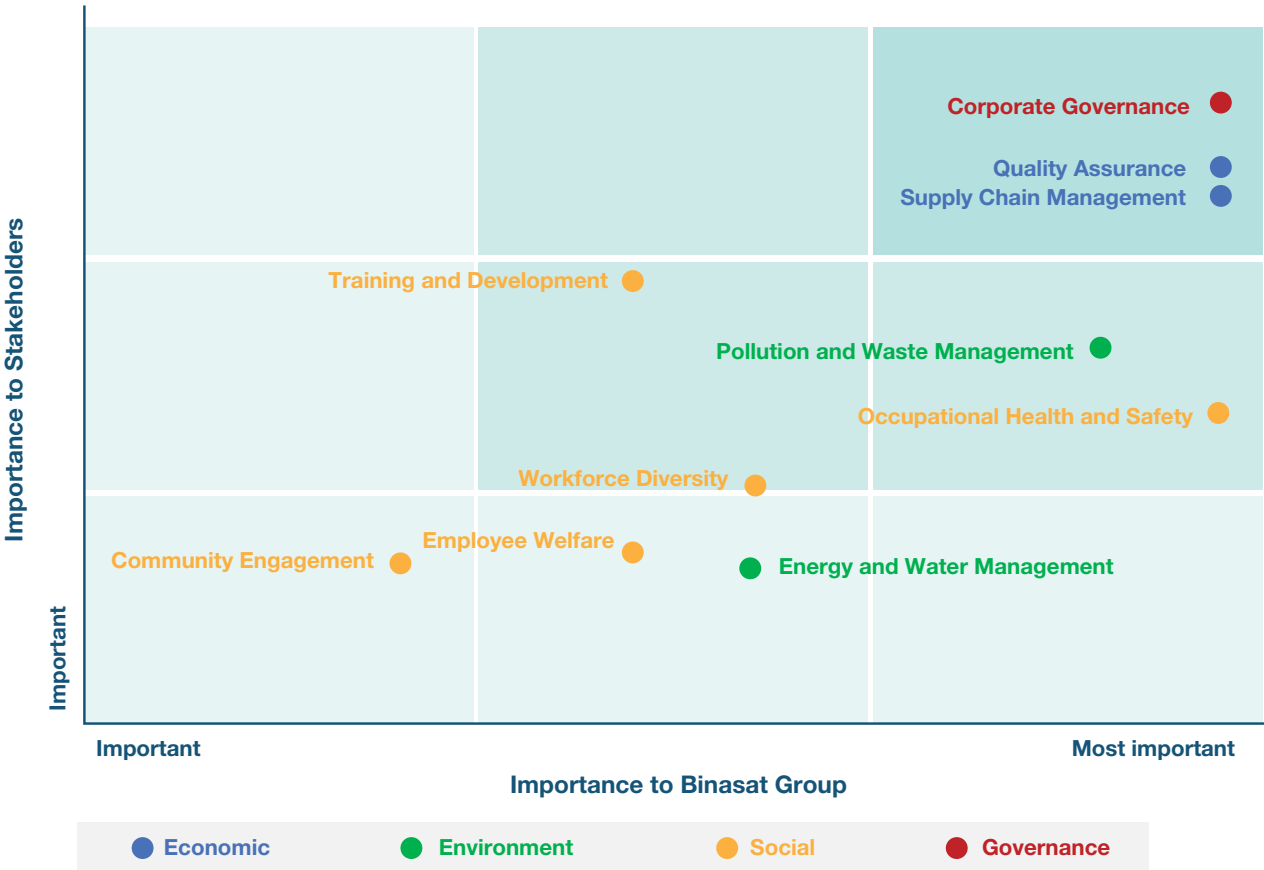
Material Matters Assessment Process

After gathering insights through our stakeholders engagement, we conducted an assessment to identify, assess and prioritise the most significant sustainability matters for both the Group and our various stakeholders. Guided by the Sustainability Reporting Guide 3rd Edition, the material matters assessment involves a three-step process, illustrated as follows: -



Material Matters Matrix

Based on our assessment, we have identified and ranked ten (10) material matters that matter the most to our Group and stakeholders in FPE 2023. These material matters, scaling from “Important” to “Most Important”, are illustrated in the following Material Matters Matrix: -

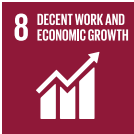

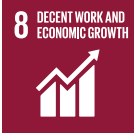




SUSTAINABILITY STATEMENT

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SUSTAINABILITY STRATEGIES AND SDG MAPPING

In alignment with the latest sustainability trend, we are dedicated to contribute to the global sustainability development agenda with reference to the SDG. Having the material matters identified earlier, we have developed several sustainability strategies to address the corresponding sustainability risks and opportunities, and have mapped them to six (6) relevant SDGs, tabled as follows: -

Sustainability Pillars	Material Matters	Sustainability Strategies	SDGs
Economic	<ul style="list-style-type: none"> Quality Assurance Supply Chain Management 	<ul style="list-style-type: none"> To implement stringent quality control measures throughout project lifecycles To leverage on technology innovation to enhance productivity, efficiency and quality To engage with credible local subcontractors and suppliers, where viable 	
Environment	<ul style="list-style-type: none"> Pollution and Waste Management Energy and Water Management 	<ul style="list-style-type: none"> To adopt effective waste disposal methods so as to minimise pollution To adopt green initiatives and renewable energy to preserve the environment 	
Sustainability Pillars	Material Matters	Sustainability Strategies	SDGs
Social	<ul style="list-style-type: none"> Workforce Diversity Occupational Health and Safety Employee Welfare Training and Development Community Engagement 	<ul style="list-style-type: none"> To create a safe, inclusive and conducive workplace To provide continuous training and development programmes for all employees To contribute to the local community with internship opportunities 	 
Governance	<ul style="list-style-type: none"> Corporate Governance 	<ul style="list-style-type: none"> To implement policies on ethical business practices and good corporate governance 	

SUSTAINABILITY STATEMENT

cont'd



ECONOMIC

QUALITY ASSURANCE

At Binasat, we are dedicated to uphold the highest standards of quality across all aspects of our operations. Central to this commitment is the implementation of our robust Quality Management System (“QMS”) by our Quality Assurance Department.

Our Quality Assurance Department ensures that stringent quality control measures such as thorough checks and inspections, are put in place throughout the entire process of our project lifecycles. These measures form the bedrock upon which we build reliability, consistency and trust in our endeavours.

Our dedication to quality and customer satisfaction is underscored by the accreditation of ISO 9001:2015 to our subsidiaries, Binasat Sdn Bhd, Satellite NOC Sdn Bhd and Borderless Connection Sdn Bhd.

TARGET 8-2



DIVERSIFY, INNOVATE
AND UPGRADE FOR
ECONOMIC
PRODUCTIVITY

To further enhance our project quality and efficiency, the Group had in FPE 2023 made a strategic investment in five (5) Horizontal Directional Drilling (“HDD”) machines to meet the increasing demand for comprehensive fibre infrastructure rollout services. In line with SDG Target 8.2, the adoption of HDD machines allows the Group to improve the accuracy, efficiency and consistency of our fibre infrastructure installation, thereby enhancing the overall quality of our projects. The utilisation of advanced drilling technology not only facilitates precise and controlled drilling but also minimises the risk of damage to existing infrastructure and minimises environmental impact. Moreover, the HDD machines are operated by our in-house teams, providing greater control over the installation process and ensuring closer adherence to industry standards and regulatory requirements.

SUPPLY CHAIN MANAGEMENT

TARGET 8-1



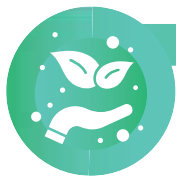
SUSTAINABLE
ECONOMIC GROWTH

Aside from quality assurance, the Group recognises the critical role of a smooth and effective supply chain management in driving our business sustainability. Our commitment to responsible sourcing and procurement aligns with SDG Target 8.1, which aims to promote sustainable economic growth and employment opportunities. To this end, at least 95% of our procurement in FPE 2023 was sourced locally, demonstrating our support for local economic development and community empowerment.

Furthermore, we are committed to cultivate sustainable and mutually beneficial relationships with our suppliers and subcontractors. Through years of successful collaboration, we have established an extensive network of committed suppliers and subcontractors. These enduring relationships not only foster trust but also contribute to a resilient supply chain, thereby mitigating risk of supply chain disruption and optimising efficiency for the Group.

SUSTAINABILITY STATEMENT

cont'd



ENVIRONMENT

POLLUTION AND WASTE MANAGEMENT

TARGET 12-5

SUBSTANTIALLY REDUCE WASTE GENERATION

In our unwavering commitment to sustainability, we continuously strive to minimise our environmental impact through the adoption of effective pollution and waste management practices. With SDG Target 12.5 in mind, we always promote the principles of Reduce, Reuse and Recycle (“3R”) across our operations to reduce waste generation and pollution. The 3R initiatives adopted across the Group include: -

- Minimise resources consumption through meticulous project requirement planning;
- Identify opportunities to reuse materials instead of purchasing new ones, whenever possible;
- Execute waste management strategy to segregate and recycle materials, aiming to divert maximum waste away from landfills;
- Promote paperless practices in our workplace through recycling and reusing waste paper materials;
- Established a centralised file server to minimise the need for physical documentation and reduce paper usage; and
- Promote virtual meetings as an alternative to physical meetings to reduce travel-related carbon emissions.

ENERGY AND WATER MANAGEMENT

Effective energy and water management are pivotal aspects of sustainable living and resource conservation. Proper management of these essential resources not only ensures their efficient use but also contributes significantly to environmental protection and cost savings. By implementing strategies to reduce consumption, minimise waste, and optimise usage, we can play a crucial role in preserving these finite resources for future generations while also promoting economic stability and environmental sustainability.

TARGET 12-2

SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES

In alignment with SDG Target 12.2, our energy conservation initiatives encompass various strategies aimed at reducing electricity consumption and maximising energy efficiency, including:-

- Maximise the use of natural sunlight and reduce the need for artificial lighting during daylight hours;
- Adopted high-efficiency electrical, plumbing, heating, ventilation and air conditioning (“HVAC”) and other systems in office building to optimise energy usage;
- Installed light sensors in common areas such as reception, corridors and toilets to conserve energy by adjusting lighting based on occupancy, thereby promoting sustainability, cost savings, and responsible energy usage behaviour among occupants;
- Replace traditional incandescent bulbs with energy-saving bulbs to minimise electricity consumption;
- Switch off lights and air conditioning system when they are not in use to conserve energy; and
- Ensure doors and windows are kept closed at all times when the air conditioning system is in operation.

SUSTAINABILITY STATEMENT

cont'd

TARGET 7-2



INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY

Furthermore, we have installed solar panels at our office building located at Technology Park, Bukit Jalil, Kuala Lumpur. In line with SDG Target 7.2, this initiative supports the Malaysian Government’s Large-Scale Solar (“LSS”) programme and the Net Energy Metering (“NEM”) 3.0 scheme. These solar panels not only reduce our carbon footprint but also lower our operating costs by offsetting our electricity bills with solar power generated.

TARGET 6-4



INCREASE WATER-USE EFFICIENCY AND ENSURE FRESHWATER SUPPLIES

Our premises are also designed to improve water-use efficiency in line with SDG Target 6.4. In this regard, we collect rainwater for irrigating the extensive greenery planted in our office compound. This approach serves to conserve water resources while simultaneously nourishing the greenery and promoting for sustainable landscaping practices.



SUSTAINABILITY STATEMENT

cont'd



SOCIAL

WORKFORCE DIVERSITY

TARGET 10.3

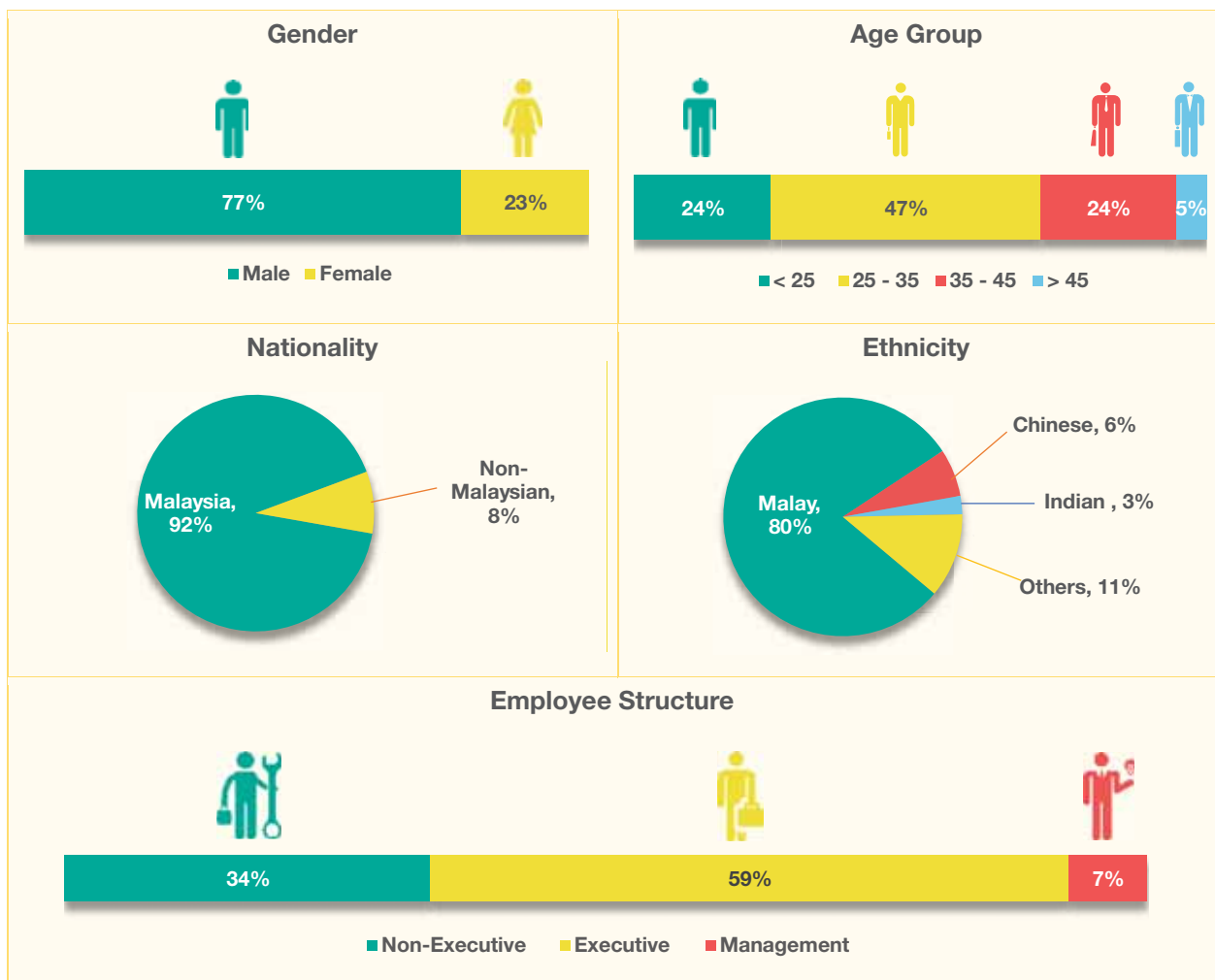


ENSURE EQUAL OPPORTUNITIES AND END DISCRIMINATION

At Binasat, we firmly believe in the power of diversity in driving innovation, fostering creativity and enhancing our overall business sustainability. In line with SDG Target 10.3, we are committed to offer equal opportunities and build a dynamic workplace with individuals from diverse backgrounds, experiences and perspectives.

As per our Diversity Policy, our recruitment and promotion practices are conducted with due respect to the principles of equal opportunity and fairness. This ensures that every employee, regardless of race, ethnicity, gender, age or disability, has the equal opportunities for their career advancement and success. Our Diversity Policy is made available for public reference on the Company’s website at <https://www.binacom.com.my/investor-relations/>.

As at 31 December 2023, we have a total of 402 employees from diverse backgrounds, analysed as follows: -



SUSTAINABILITY STATEMENT

cont'd

OCCUPATIONAL HEALTH AND SAFETY

TARGET 8.8



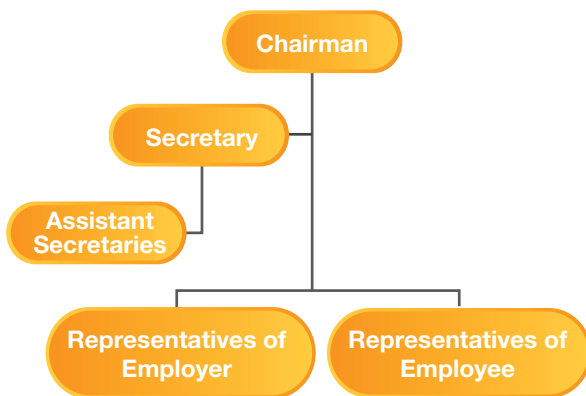
PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS

Given the nature of our business, we recognise that our employees are exposed to higher risks of work-related injury, illness and hazards. Therefore, aligning with SDG Target 8.8, we are fully committed to maintain a safe and healthy working environment for our employees.

To this end, we have established and implemented an Occupational Health and Safety (“OHS”) Policy, outlining our commitment to maintain a safe and healthy workplace across the Group. The key objectives of our OHS Policy are as follows: -

OHS Policy

- Provide OHS information, instruction and guidance to employees
- Fulfil legal requirements and other relevant requirements
- Maintain safe and healthy working environment
- Control health and safety risks arising from work activities
- Prevent accidents and cases of work-related ill health
- Ensure safe operation of plant and equipment
- Ensure all employees are competent to perform their tasks and receive adequate training
- Continually improve OHS management system
- Encourage consultation and participation of workers and worker representatives, where applicable



To facilitate the implementation of the abovementioned OHS Policy, we have established an OHS Committee for the on-going monitoring and management of all OHS matters within the Group.

Chaired by En. Zulamran Bin Hamat, our Executive Director cum Chief Executive Officer, the OHS Committee comprises a secretary, two (2) assistant secretaries, as well as fifteen (15) employer representatives and thirteen (13) employee representatives.

This governance structure, with representatives from both employer and employee, ensures that voices and opinions from both parties are fairly heard and considered in an effort to foster an effective OHS management across the Group.

We are proud to highlight that the stringent OHS management systems in both our Binasat Sdn Bhd and Satellite NOC Sdn Bhd have been accredited with ISO 45001:2018 under the scope of “provision of satellite communication and other engineering services (installation, testing, maintenance and commissioning)” during FPE 2023.

In addition to implementing OHS management systems and OHS Policy, we also conducted the following safety-related trainings in FPE 2023 to ensure our employees adhere to the best safety practices and guidelines: -

OHS Trainings Conducted During FPE 2023	
23 August 2022	Evacuation and Fire Drill Training
14 July 2023	Forklift Skill, Safety and Daily Maintenance Course
18 August 2023	Basic Defensive Driving Course
6 October 2023	Basic Rigging and Sligging Course
15 December 2023	Emergency Response Team (“ERT”) and Mock Drill Course

SUSTAINABILITY STATEMENT

cont'd



Forklift Skill, Safety and Daily Maintenance Course



ERT and Mock Drill Course

With all our effective OHS initiatives in place, we are pleased to announce that the Group has achieved zero workplace injury and zero lost time incident rate in FPE 2023. Moving forward, we will continue to improve our OHS management so as to maintain a zero-injury working environment for all of our employees.

EMPLOYEE WELFARE

Recognising that our employees are the foundation of a sustainable and successful business, Binasat places utmost importance on prioritising and investing in employee welfare. We are committed to foster a supportive and inclusive working environment where our employees feel valued, respected and empowered. This approach aims to cultivate an engaged and motivated workforce, thus contributing to the long-term sustainability and growth of our Group.

In general, our employees are provided with a wide range of benefits based on their respective job grade and length of service, as follows: -

<p>Leave Entitlements</p>	<ul style="list-style-type: none"> ✓ Annual Leave ✓ Medical Leave ✓ Compassionate Leave ✓ Emergency Leave ✓ Marriage Leave ✓ Maternity Leave ✓ Paternity Leave
<p>Health Benefit</p>	<ul style="list-style-type: none"> ✓ Outpatient Treatment ✓ Group Medical Insurance Coverage for Manager Level and Above (Including Outsource Employees)
<p>Allowances</p>	<ul style="list-style-type: none"> ✓ Overtime Claim ✓ Outstation Allowance ✓ Shift Allowance
<p>Other Welfare</p>	<ul style="list-style-type: none"> ✓ Mobile Services Support ✓ Professional Qualification Assistance Claim ✓ Professional Bodies Membership Claim ✓ Travel and Accommodation Claim ✓ Company Token for Natural Disaster/ Death in Family

SUSTAINABILITY STATEMENT

cont'd

In addition to company benefits, we actively engage with our employees by hosting various company activities and events, aimed at nurturing a close bonding and encouraging healthy interactions among our employees. During FPE 2023, our employees participated in several company activities and events, including hiking, sports tournament, team building, Hari Raya Open House and Appreciation Night for the Managing Director.



Hiking at Sungai Kedondong



Team Building at Port Dickson Sanctuary Resort

On a separate note, we had on 5 October 2023 conducted a “Sexual Harassment at Workplace Course” to further reinforce our commitment to providing a safe and respectful work environment for all employees. This course aimed to raise awareness and educate our employees on identifying and addressing instances of sexual harassment, thereby promoting a culture of mutual respect and dignity in the workplace.

During FPE 2023, we are pleased to report that we have not received any complaints concerning human rights violations and/or discriminations from our employees and stakeholders. Moving forward, we strive to continue maintaining a workplace culture that promotes equality, fairness and well-being for all employees.

TRAINING AND DEVELOPMENT

At Binasat, we understand that continuous training and development is essential to foster a culture of innovation, resilience and growth within the Group. Empowering our employees with the necessary skills and knowledge is vital for them to adapt to the evolving industry trends and maximise their potential to drive positive change.

To this end, we have invested a total of RM0.09 million for our employees’ training and development during FPE 2023. Saved for the safety-related trainings and “Sexual Harassment at Workplace Course” mentioned earlier, the summary of our training and development programmes conducted is tabled as below: -

Training Programmes Conducted in FPE 2023	
June 2023	CCNA Implementing & Administering Cisco Solutions
August 2023	TNB ILSAS Skop Kerja Kable - Cable Laying Practices up to 33kv
September 2023	ISO 9001 Awareness Understanding and Application Training
	TNB ILSAS Ensuring Safe & Effective Horizontal Directional Drilling (HDD)
October 2023	Sexual Harassment at Workplace Course
November 2023	Training Needs Analysis & Identification
	CCNA Implementing & Administering Cisco Solutions

SUSTAINABILITY STATEMENT

cont'd



ISO 9001 Awareness Understanding and Application



Training Sexual Harassment Training

COMMUNITY ENGAGEMENT

Binasat is cognisant of the profound impact of education and community engagement in shaping the future of our society. We take pride in our efforts to provide internship opportunities during FPE 2023, serving as a bridge between academia, industry and the broader community.

During FPE 2023, we welcomed a total of 24 interns, comprising an equal representation of 12 male and 12 female. This diversity has once again reflected our commitment to creating an inclusive and equitable workplace where everyone has the opportunity to thrive and succeed. The duration of our internships generally spans across six (6) months, allowing the interns to have sufficient opportunities to immerse themselves in various projects and operations within our Group. This period of internship not only offers valuable learning experience for our interns but also enriches our Group with fresh insights and perspectives.

As we continue to bridge the gap between academia and industry, we look forward to nurturing the next generation of talent and empowering them to become future leaders in the telecommunications sector.



SUSTAINABILITY STATEMENT

cont'd



GOVERNANCE

CORPORATE GOVERNANCE

As we strive to embed sustainability into every facet of our operations, we recognise that corporate governance plays a pivotal role in achieving our objectives. A sound corporate governance encompasses the way we govern our organisation, ensuring that we operate with integrity, transparency and ethical conduct at all times. To advocate effective corporate governance, we have established several Company policies, as follows: -

Code of Conduct and Code of Ethics

Our Code of Conduct (“COC”) and Code of Ethics (“COE”) (collectively known as “the Code”) outline the ethical principles and conducts expected from all our Directors, Management and employees. The Code underscores our commitment to legal compliance, professionalism as well as social responsibility, guiding employees towards ethical decision-making in alignment with the Group’s values and objectives.

TARGET 16-5

Anti-Bribery and Anti-Corruption Policy



**SUBSTANTIALLY
REDUCE CORRUPTION
AND BRIBERY**

In line with SDG Target 16.5 and the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, we have implemented an Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) to demonstrate our zero-tolerance stance against any form of bribery and/or corruption. The ABC Policy sets out clear guidelines on identifying, preventing and mitigating bribery and corrupt practices in our business. By adhering to our ABC Policy, we strive to safeguard our Group’s integrity, reputation and long-term sustainability while promoting transparency and ethical conduct in all our business dealings.

Whistleblowing Policy & Procedures

To support the implementation of ABC Policy, we have also put in place a Whistleblower Policy & Procedures to serve as an avenue for all Directors and employees to report on any potential/known misconducts or improper activities within the Group. In compliance with the Whistleblower Protection Act 2010, all whistleblowers who report in good faith will be protected, and all information received by the Group will be handled strictly, confidentially and with utmost discretion. Upon receiving a whistleblowing report, an independent investigation will be conducted and appropriate actions will be taken thereafter.

Directors’ Fit and Proper Policy

To uphold the highest standards of corporate governance, the Board also places great emphasis on the appropriateness and competency of our Directors. To this end, we have implemented a Directors’ Fit and Proper Policy to serve as a formal reference for our NC in evaluating the fitness and propriety of a Director for the relevant appointments and/or re-appointments. The fit and proper criteria cover various aspects, including character and integrity, experience and competence, as well as time and commitment. This shall ensure that our leaders possess the necessary skills, knowledge and competencies to discharge their responsibilities in the best interests of the Group.

All the abovementioned policies are accessible on the Company’s website at <https://www.binacom.com.my/investor-relations/>. We are pleased to report that during FPE 2023, no employees were subject to disciplinary action or dismissal, nor any public cases were brought against the Group or its employees for non-compliance with the applicable laws and regulations. Hence, no fines or penalties were imposed to the Group during the FPE 2023.

PROFILE OF DIRECTORS



TAN SRI DATUK CHAM HAK LIM

*Independent Non-Executive Chairman
Malaysian • Male • aged 82*

Tan Sri Datuk Cham Hak Lim was appointed as the Independent Non-Executive Chairman of the Company on 13 September 2018. He is also a member of the Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”).

Tan Sri Datuk Cham Hak Lim was elected as a Committee Member of Selangor Turf Club in 1996 and he was appointed as the Deputy Chairman of Selangor Turf Club in 1998. He was also a Committee Member of Malayan Racing Association. In 2004, he was elected as the Chairman of the Lembaga Totalisator Malaysia Technical Committee of the Equine Industry Development Project. He was also appointed as Joint Chairman by the State Government of Terengganu for the National Horse Show in Kuala Terengganu in 2008.

Tan Sri was elected as the Chairman of the Selangor Turf Club in 2009 and he has assumed the position of Chairman till to date 2024.

Tan Sri was appointed as Chief of Delegate representing Malaysia to the Asian Racing Conference in Hong Kong held from 5th to 8th May 2014. Tan Sri became the Chief of Delegate again for Asian Racing Conference South Africa held from 18th to 23rd February 2020.

In 2011, Tan Sri was awarded The BrandLaureate Most Eminent Brand ICON Leadership Awards by Asia Pacific Brands Association and in 2022, Tan Sri was awarded The UPBH World Entrepreneur Branding Award and UPBH Lifetime Achievement Award.

In 2012, Tan Sri was appointed as the Chairman of Lembaga Totalisator Malaysia by the Minister of Finance, for a duration of two (2) years and went on to serve as Chairman another two (2) years till July 2016. In August 2019, Tan Sri has again been appointed by the Minister of Finance as the Chairman of Lembaga Totalisator Malaysia for another three (3) years till 2022.

In August 2022, Tan Sri once again has been appointed by the Minister of Finance as the Chairman of Lembaga Totalisator Malaysia for another two (2) years from 1 August 2022 until 31 July 2024.

Tan Sri is also actively involved in the motor vehicle industry and served as the Chairman for several companies including Atiara Otomobil Pte Ltd, Advant Speed Motors Sdn Bhd, Atika Enterprise Pte Ltd and Affluent Centre Pte Ltd. Uni-Asia Insurance Berhad presented Tan Sri with the Award of Million-Dollar Producer in Motor Insurance in 2005.

Tan Sri has made generous contributions to many charitable causes over the years, be they local or international. In appreciation of Tan Sri’s contribution, he was honoured with the Paul Harris Fellow Award by the Rotary Club Foundation.

Tan Sri Datuk Cham Hak Lim attended all the eight (8) Board meetings held during the financial period ended 31 December 2023 (“FPE 2023”).

PROFILE OF DIRECTORS

cont'd



ONG SOON LIM
Group Managing Director
Malaysian • Male • aged 58

Ong Soon Lim was appointed as the Group Managing Director (“MD”) of the Company on 26 January 2024. He obtained his Diploma in Investment Analysis from The Research Institute of Investment Analysis Malaysia (“RIIAM”).

Ong Soon Lim started his career as the factory operations management with Hextar Chemicals Sdn Bhd in 1986, where his last appointment was Factory Manager. He then moved on to the logistics industry where he spent 13 years managing third party warehouses and providing supply chain services. He was responsible for the overall development of the group of companies and oversees the administration and operations of the group of companies.

On 21 July 2021, he was appointed as an Executive Director of Hextar Capital Berhad (“Hexcap”) (formerly known as Opcom Holdings Berhad) and redesignated as the Non-Independent Non-Executive Director on 29 December 2023.

As he was appointed to the Board of Directors (“the Board”) on 26 January 2024, he has not attended any Board meeting held during FPE 2023.

PROFILE OF DIRECTORS

cont'd



ZULAMRAN BIN HAMAT

*Executive Director cum Chief Executive Officer
Malaysian • Male • aged 52*

Encik Zulamran bin Hamat was first appointed to the Board as an Executive Director cum Chief Operating Officer of the Company on 6 February 2018. Subsequently, he was re-designated as Executive Director cum Chief Executive Officer of the Company on 21 September 2018.

He studied in University Technology of Malaysia majoring in telecommunications in 1993. He started his career with Southern Wire Industries (Malaysia) Sdn Bhd (“SWI”) in 1994 as an Electrical Engineer where he was involved in managing the electrical division and supporting the operations and maintenance of the company’s electrical equipment and system. Subsequently, he left SWI in 1998 to join Communications & Satellite Services Sdn Bhd (“CSS”) as a Technical Engineer and was promoted in 2006 as the head of the Operations and Engineering Department where he was responsible for managing the company’s day-to-day operations. During his tenure with CSS, he was involved in the setting up of a system for the provision of satellite broadcasting services to a Malaysian turf club and dataline service.

He left CSS and joined our Group in 2013. He was also previously involved in the business of engineering works from 2014 to May 2017 as a director and shareholder of Binalite Electrical Engineering Sdn Bhd. He has more than 20 years of experience in the satellite and telecommunications industry.

In his current role as Executive Director cum Chief Executive Officer of the Company, he manages our Group’s day-to-day business operations and is primarily responsible for project management as well as business expansion. He directly holds 30% equity interest in Satellite NOC Sdn Bhd, a 70% owned subsidiary of the Company.

Encik Zulamran bin Hamat attended all the eight (8) Board meetings held during the FPE 2023.

PROFILE OF DIRECTORS

cont'd



DATO' SEOW THIAM FATT

*Senior Independent Non-Executive Director
Malaysian • Male • aged 82*

Dato' Seow Thiam Fatt was appointed as the Senior Independent Non-Executive Director of the Company on 6 June 2017. He is the Chairman of the ARMC and a member of the NC and RC.

He obtained his Diploma in Accountancy from Perth Technical College of Western Australia. He is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators and past Fellow of the Institute of Chartered Accountants in Australia. He is also a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants ("MICPA"). He is a past President of MICPA and also served four years as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange ("KLCE"). He is a past Council Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is currently the Chairman of its Audit Committee.

He has more than 20 years' professional experience as a former Partner in the accounting firms of Messrs Larry Seow & Co, Moores Rowland and Arthur Young. He diverted from professional practice in 1994 and thereafter held various senior positions in the private and public sectors, including being the Finance Director of AC Nielsen (Malaysia) Sendirian Berhad and General Manager of the Financial Reporting Surveillance and Compliance Department of the Securities Commission of Malaysia.

He was an Independent Non-Executive Director of Tan Chong Motor Holdings Bhd, Warisan TC Holdings Bhd, Affin Investment Bank Bhd, ING Insurance Bhd, ING Funds Berhad, Sersol Berhad and AmMetLife Insurance Berhad. He was the Chairman of the Audit Committees of those companies.

Dato' Seow Thiam Fatt attended all the eight (8) Board meetings held during the FPE 2023.

PROFILE OF DIRECTORS

cont'd



SHARON NG SAW EAN

Independent Non-Executive Director
Malaysian • Female • aged 57

Sharon Ng was appointed as the Independent Non-Executive Director of the Company on 1 April 2024. She was also appointed as the Chairperson of NC as well as RC.

She graduated with degree of Bachelor of Laws and Bachelor of Economics from Monash University, Australia.

She was admitted to the Malaysian Bar in December 1991. She practised law for 30 years and was a senior

partner in the law firm of Messrs. Soo Thien Ming & Nashrah until June 2022 when she opted for early retirement from legal practice. As a Senior Partner of the firm, she managed the Klang branch and led a team of nine (9) lawyers and forty (40) support staff. She has also been appointed as a Commissioner for Oaths since 1 March 2023.

As she was appointed to the Board on 1 April 2024, she has not attended any Board meeting held during FPE 2023.

PROFILE OF DIRECTORS

cont'd



YEONG SIEW LEE

Independent Non-Executive Director
Malaysian • Female • aged 46

Yeong Siew Lee was appointed as the Independent Non-Executive Director of the Company on 1 April 2024. She is also a member of AC.

She graduated with Bachelor of Science (Hons) Degree in Accounting and Finance from University of Wales College, United Kingdom in 1999. She is a Chartered Accountant and also a member of the MIA.

She began her career as an Assistant Accountant with GHL Systems Berhad (“GHL”) in 2003 and was promoted to Assistant General Manager of Finance in 2008 to supervise the company’s local and overseas

accounting teams. She left GHL in 2009 to venture into business in the consumer and architectural industry and was working as a Business Development Director for architectural of aluminium works in private residency since 2013.

She is an Independent Non-Executive Director of Pekat Group Berhad, TFP Solutions Berhad, AppAsia Berhad and Sinmah Capital Berhad.

As she was appointed to the Board on 1 April 2024, she has not attended any Board meeting held during FPE 2023.

PROFILE OF DIRECTORS

cont'd



TEH LI KING

*Non-Independent Non-Executive Director
Malaysian • Male • aged 45*

Teh Li King was appointed as Non-Independent Non-Executive Director of the Company on 26 January 2024.

He graduated with a Bachelor of Science in Business from New Hampshire College, USA in 2000. He also obtained a Master of Business Administration from Charles Sturt University, Australia in 2003. He hold his Pre-Contract Examination for Insurance Agent Certification from The Malaysia Insurance Institute, Malaysia.

Teh Li King started his career as an Account Relationship Executive at Hong Leong Bank in 2000, responsible for managing and developing portfolio of business banking clients. In 2003, he left Hong Leong Bank and joined metal industry as the Marketing Manager of PP Steel Service Centre Sdn Bhd. Subsequently, he joined Rex

Metal Packaging Berhad in 2005 as Sales Manager and later in 2006 served as the Senior Business Development Manager at Sumimetal Industries (M) Sdn Bhd. In 2007, he moved on to the chemicals manufacturing industry as the Assistant General Manager of Hextar Chemicals Sdn Bhd and is currently the Group Chief Operating Officer of Hextar Group of Companies. He is a senior executive with experience with industry experience in the area of corporate management, banking and manufacturing.

He is a Non-Independent Non-Executive Director of Hexcap.

As he was appointed to the Board on 26 January 2024, he has not attended any Board meeting held during FPE 2023.

Notes:-

- 1) All Directors, except for Ong Soon Lim, do not have any family relationship with any Director and/or major shareholder of the Company. Y. Bhg. Dato' Ong Choo Meng, the substantial shareholder of Hexcap, is the nephew of Ong Soon Lim.
- 2) All Directors have no conflict of interest with the Company and have not been convicted for any offences within the past five (5) years.
- 3) All Directors have no public sanctions and/or penalties imposed by any relevant regulatory bodies during the FPE 2023.
- 4) All Directors, except for Ong Soon Lim, Yeong Siew Lee and Teh Li King do not have any directorship in other public companies and listed issuer.

KEY SENIOR MANAGEMENT PROFILE



DR. CHAN AI JOO

Group Financial Controller
Malaysian • Female • aged 47

Dr. Chan Ai Joo joined the Group as a Group Financial Controller on 26 January 2024.

Dr. Chan graduated with a Degree of Bachelor of Accounting from Universiti Malaya, Malaysia. She obtained a Commonwealth Executive Master of Business Administration from Wawasan Open University, Malaysia, and a Doctor of Philosophy from Swinburne University of Technology, Sarawak Campus, Malaysia. As an accountant by training, she is a member of MIA and MICPA.

She started her career with KPMG PLT, Malaysia. She has over twenty (20) years of working experience in full spectrum of finance department functions in various corporations in Malaysia.

In 2020, she joined Hexcap as Group Financial Controller where she was responsible for the overall Hexcap Group's finance function. In 2024, she then left Hexcap Group and joined our Group in her current position.



NOR AZIMUDDIN BIN ARIFIN

Head of Satellite Department
Malaysian • Male • aged 41

Nor Azimuddin bin Arifin is our Head of Satellite Department. He joined the Company on 17 December 2012. He obtained his Bachelor of Engineering (Honours) Degree in Telecommunications from University of Malaya in 2007 and a Master of Science in Telecommunication and Information Engineering from Universiti Teknologi MARA in 2020.

He started his career in 2007 as a Customer Relationship Management Executive at MRCB Technologies Sdn Bhd, a company involved in the provision of information technology and telecommunications services. Subsequently, in 2008, he was appointed as a Telecommunications Engineer in the same company where he was involved in fibre infrastructure and copper cabling. In 2009, he joined Sistem Komunikasi Gelombang Sdn Bhd, a VSAT services provider as a Customer Support Engineer where he was involved in VSAT and Satellite communication system.

He left in 2012 and joined Binasat as a VSAT Hub Engineer where he managed our Telco customer's VSAT telecommunications hub and the hub support team and overall VSAT technical support within our Group.

KEY SENIOR MANAGEMENT PROFILE

cont'd



LEE CHIEW MENG

*Head of Mobile Department
Malaysian • Male • aged 46*

Lee Chiew Meng is our Head of Mobile Department. He has been working with Binasat Sdn Bhd since 9 February 2015.

He obtained his Bachelor of Civil Engineering from University of Royal Melbourne Institute of Technology (“RMIT”) in 2003. His career started as Telecommunication Civil Mechanical Electrical (“CME”) Field Engineer began in 2004 with Maxis Broadband Sdn Bhd. During his five years (5) tenure, he was responsible for coordination, supervision, quality standard and acceptance test during implementation of Maxis rollout, upgrade and special projects.

With new gained of experiences, he progressed in 2008 with Alcatel-Lucent Malaysia Sdn Bhd as CME Acceptance Engineer. He spent 1.5 years involved in building of telecommunication infrastructure facilities and telecommunication installation (“TI”) for Green Packet Malaysia known as P1. He continued with local telecommunication company R&A Telecommunication Sdn Bhd as a Project Manager under Maxis rollout project design and construction of base transceiver stations, installation, commissioning of antenna & feeder system and provision of services for another 6 years before joining Binasat Sdn Bhd in 2015 as CME Project Manager, managing telecommunications customers whilst also responsible for managing technical support team within our group.



MOHAMMAD FAIZAL BIN SALLEH

*Head of Fibre Department
Malaysian • Male • aged 46*

Mohammad Faizal Bin Salleh was appointed as our Head of Fibre Department of the Company on 19 October 2020.

He obtained his Bachelor Degree in Telecommunication and also Executive Master’s in Business & Administration (“EMBA”) from Universiti Teknologi Mara (“UiTM”) in 2001 and 2005 respectively.

He began his career as a Debug Technician in 2001 at Western Digital (M) Sdn Bhd, which specialising in hard drive industry. Subsequently, he moved to telecommunication industry and joined Electroscon Sdn Bhd where he gained an extensive experience involving both fibre optic and copper network infrastructure. His tenure with Eelctroscon Sdn Bhd spanned over 15 years before he decided to join Binasat Sdn Bhd in Oct 2020, which he has brought all the technical knowledge and experience together with him into Binasat Sdn Bhd.

KEY SENIOR MANAGEMENT PROFILE

cont'd



CHEE BOON SYAN

Head of Teleport and Hub Operations
Malaysian • Male • aged 51

Chee Boon Shyan is our Technical Operation Manager for VSAT and the Head of Teleport and Hub Operations. He joined the Company on 1 August 2018.

He is responsible for managing the Group's Teleport Facilities and Network Operations Center including technical support.

He obtained his Bachelor of Degree in Telecommunication from Universiti Teknologi Malaysia. He began his career in 1997 with Maxis group of companies as Fixed Network Operation Engineer before moving on to Alcatel Networks Malaysia ("Alcatel"). He spent a total of 5 years at Alcatel as Regional Level 1 and Level 2 Network Support Engineer who was responsible for telecommunication network comprises intermediate link between core network, known as backbone network and subnetwork including core switches.

He was subsequently move to a new company, Wavestream Malaysia as a Technical Support Manager where he assumed the role in satellite-based telecommunications and networking solutions or VSAT. With 15 years of experience at Wavestream, he then joined Binasat in 2018. Since then, he has played a pivotal role to assist the company to complete SES-12 Ku band, SES HTS Ka-Ku band & C Band gateway setup with our Satellite Service Providers "SES" & JCsat which are incorporated in Netherland and Japan respectively.

He helped the company to successfully complete Marlink (formally known ITC Global) ku band regional landing gateway (in 2022) for their Oil & Gas or Maritime customers. (Marlink is a company incorporated in France).

Notes:-

None of the Key Senior Management:-

- a. holds directorships in public companies and listed corporations;
- b. has family relationship with any Director and/or major shareholder of the Company;
- c. has conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries;
- d. has been convicted of any offences within the past five (5) years other than traffic offences, if any; and
- e. was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during FPE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the significance of maintaining an effective and high standard of corporate governance in all facets of the Group's affairs to drive the Group's long-term growth and success. Therefore, the Board strives to maintain the utmost level of transparency, accountability, integrity and ethical behaviour throughout the Group. With this aim, the Board is dedicated to align the Group's corporate governance procedures with the recommended best practices outlined in the Malaysian Code on Corporate Governance ("MCCG").

This Corporate Governance Overview Statement ("CG Statement") was prepared in accordance to Rule 15.25(1) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") with guidance from Guidance Note 11 of the AMLR. In addition, this CG statement provides an insight on how the Group conducted its corporate governance practices with the application of the following three (3) key corporate governance principles as guided by the MCCG throughout FPE 2023.

Principle A Board Leadership and Effectiveness;
Principle B Effective Audit and Risk Management; and
Principle C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

We encourage readers to read this CG Statement alongside with the Company's Corporate Governance Report 2023 ("CG Report"), which provides readers with more detailed disclosures for each corporate governance practice. The CG Report is made available on the Company's website at www.binacom.com.my/investor-relations/ or on the Bursa Securities' website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. THE BOARD

The Board is ultimately responsible for the Group's overall governance, stewardship, strategic direction as well as the corporate goals and objectives to provide reasonable assurance of the Group's long-term success. Guided by the Board Charter, the Board is accountable for the strategic, financial, operational, compliance and governance matters of the Group. With this, the Board plays a crucial role in shaping the Group's long-term strategic direction to prioritise our sustainability goals and enhance shareholder value. In addition to the Board Charter, the Board is also guided by the Company's Constitution and the prevailing legal and regulatory requirements such as the Companies Act 2016, AMLR and MCCG, in discharging its fiduciary duties and responsibilities.

The Board is aware of the importance of having clear roles and responsibilities in discharging its fiduciary and leadership function. In this regard, the Board has defined its roles, duties and responsibilities in the Board Charter, which is published on the Company's website at www.binacom.com.my/investor-relations/.

To ensure a balance of power and authority in overseeing the Group's corporate governance affairs and business operations, the positions of the Board Chairman and Group MD are held by two (2) different individuals, each with clear division of responsibilities as outlined in the Board Charter. Tan Sri Datuk Cham Hak Lim, our Independent Non-Executive Chairman, assumes the role of stewardship of the Board and is responsible for overseeing the overall effectiveness of the Board and promoting sound corporate governance practices amongst its Board members. Mr. Ong Soon Lim serves as our Group MD and is primarily responsible for the effective implementation of the Group's strategic plan and policies approved by the Board as well as managing the daily conduct of business. The segregation of the roles between the Board Chairman and Group MD promotes better accountability standards, which in turn better safeguards our stakeholders' interests.

To enhance the Board's efficiency and effectiveness, the Board has delegated certain responsibilities and authorities to three (3) Board Committees to assist in fulfilling its fiduciary duties effectively, namely the ARMC, NC, and RC.

Each of the Board Committees operate within their specific functions and duties as specified in their respective Terms of Reference, which are approved by the Board. The Board Committees are tasked to report their findings during their Board Committee meetings for the Board's discussions and approval. However, the Board stills holds the ultimate responsibility to prioritise the Group's best interest in decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART I: BOARD RESPONSIBILITIES (cont'd)

1. THE BOARD (cont'd)

Currently, the Board Chairman is also a member of the ARMC, NC and RC. Despite deviating from Practice 1.4 of the MCCG, this does not compromise the Board Chairman's objectivity when deliberating on the findings and recommendations reported by the Board Committees. This is because all Independent Non-Executive Directors collectively discuss meeting affairs as a team during the respective Board Committees' meetings. Additionally, the Board Chairman does not engage in the Group's managerial and operational matters.

All Board and Board Committees meetings are scheduled in advance, allowing our Board of Directors to make arrangements to attend the meetings and providing them with ample time to peruse and consider the meeting agenda and board papers, which are circulated to them at least five (5) working days in advance prior to the meetings. When necessary, the Directors may seek clarifications from the Management to make well-informed decision making during the meetings. In case of an emergency, the relevant meeting materials are only provided to the Board during the meetings. Our proactive approach ensures that the Directors are able to maximise their allocated time for meaningful deliberations during meetings. Meeting minutes are circulated to the Board and/or members of Board Committees in a timely manner for comment and are tabled at the subsequent meeting for confirmation and approval. In addition, all Directors have unrestricted access to all information relating to the Group's operations and business matters. They also have access to the advice and services of the Management, Company Secretaries, Internal Auditors and External Auditors to facilitate their decision-making process.

Throughout the FPE 2023, the Board is supported by six (6) qualified and competent Company Secretaries. All are qualified under Section 235(2)(a) of the Companies Act 2016 and are members of the MAICSA. The Board was served by three (3) Company Secretaries, namely Tai Yit Chan, Tan Ai Ning and Janice Chan Mei Ling for the period from 1 July 2022 to 31 March 2023. On 1 April 2023, three (3) new Company Secretaries, namely Wong Youn Kim, Lim Li Heong and Wong Mee Kiat, are appointed to support and serve the Board to replace the resigning Company Secretaries.

The Company Secretaries play a pivotal role in facilitating the Board and Board Committees meetings by recording the Board's deliberations and discussions, including issues addressed and decisions made. Furthermore, they also provide guidance and updates to the Board on the matters relating to regulatory and corporate governance matters.

The Company Secretaries are committed to staying updated on regulatory changes and developments through continuous training and industry updates. The Board expresses satisfaction with the performance and services rendered by the Company Secretaries throughout the FPE 2023, indicating their effectiveness in supporting the Board's responsibilities.

The Board is satisfied with the effort and time commitment of the Directors in attending the Board meetings held throughout the FPE 2023. There were a total of 8 Board meetings held during the FPE 2023 and the details of the attendance records are as follows:-

Directors	Number of meetings Held During Director's Tenure of Office	Meeting Attendance	Percentage of Attendance
Tan Sri Datuk Cham Hak Lim	8	8	100%
Mr. Na Boon Aik (Resigned on 26/1/2024)	8	8	100%
Encik Zulamran Bin Hamat	8	8	100%
Dato' Seow Thiam Fatt	8	8	100%
Dato' Tan Yee Boon (Retired at 6th AGM on 30/11/2022)	3	3	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART I: BOARD RESPONSIBILITIES (cont'd)

1. THE BOARD (cont'd)

The Board is satisfied with the effort and time commitment of the Directors in attending the Board meetings held throughout the FPE 2023. There were a total of 8 Board meetings held during the FPE 2023 and the details of the attendance records are as follows:- (cont'd)

Directors	Number of meetings Held During Director's Tenure of Office	Meeting Attendance	Percentage of Attendance
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	5	4	80%
Mr. Teh Li King (Appointed on 26/1/2024)	-	-	-
Mr. Ong Soon Lim (Appointed on 26/1/2024)	-	-	-
Ms. Sharon Ng Saw Ean (Appointed on 1/4/2024)	-	-	-
Ms. Yeong Siew Lee (Appointed on 1/4/2024)	-	-	-

All Directors have attended more than 50% of Board meetings held during FPE 2023, being the minimum requirement as stipulated under Rule 15.05 of AMLR.

2. BOARD CHARTER

In order to swiftly discharge the Board's duties and responsibilities, the Board has in place a Board Charter, which acts as a guide to the Board by outlining the roles, functions, composition, operations and procedures of the Board, as well as the matters reserved for the Board's deliberation and decision. To ensure its relevancy with the latest business environment, the Board Charter is reviewed periodically by the Board to ensure compliance with any new laws, rules and/or regulations that may have an impact on the discharge of the Board's responsibility. The Board Charter is made available on the Company's website at www.binacom.com.my/investor-relations/.

3. BUSINESS ETHICS AND INTEGRITY

3.1 Code of Conduct and Code of Ethics

The Board aims to uphold good business ethics and promote sustainable values as part of the corporate culture to safeguard the Company's reputation and enhance stakeholders' trust. Hence, the Board has formalised ethical standards by establishing the Code of Conduct and the Code of Ethics (collectively referred as to "the Code"). The Code serves as a guideline for Directors and employees to maintain the highest standards of ethics, integrity and professionalism throughout the Group.

3.2 Anti-Bribery and Anti-Corruption Policy

In adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has adopted an Anti-Bribery and Anti-Corruption Policy ("ABC Policy"), demonstrating a zero-tolerance stance towards any bribery and/or corruption issues within the Group. The Group is committed to conducting business professionally, fairly and with integrity in all relationships. The ABC Policy outlines the principles and methods for addressing bribery and corruption related activities and issues when they arise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART I: BOARD RESPONSIBILITIES *(cont'd)*

3. BUSINESS ETHICS AND INTEGRITY *(cont'd)*

3.3 Whistleblowing Policy & Procedures

The Board has also adopted a Whistleblowing Policy & Procedures (“WB Policy”) to provide an avenue for all employees and stakeholders to report their concerns of any suspected and/or known misconduct, wrongdoings or malpractices within the Group, including any action that violates any applicable laws or regulations. Any improper activities disclosures, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to the Chairman of the ARMC in writing by whistleblowers. Employment related concerns can be reported to the Group MD of the Company. The WB Policy also provides guidance on the appropriate communication and feedback channels to facilitate whistleblowing.

For FPE 2023, the Board is pleased to inform that none of the designated persons have received any reports or concerns regarding breaches of the Group’s policies, applicable laws and regulations.

3.4 Directors’ Fit and Proper Policy

Pursuant to Rule 15.01A of the AMLR, the Board has in place a Directors’ Fit and Proper Policy to ensure that the Board are equipped with individuals of high calibre who possess the right character, experience, expertise, integrity, track record and qualifications to effectively discharge their roles and responsibilities. The Board, assisted by the NC, shall assess the candidates seeking for appointment or re-election based on the Directors’ Fit and Proper Policy.

The Code, ABC Policy, WB Policy and Directors’ Fit and Proper Policy will be reviewed regularly by the Board to ensure their relevance and compliance with all relevant laws and regulations. These policies are accessible on the Company’s website at www.binacom.com.my/investor-relations.

4. SUSTAINABILITY MANAGEMENT

The Board places sustainability management as one of our utmost priorities. It is critical that the Board and Management work together to set sustainability strategies and target for the Group, aiming to drive long term value and ensure the Group operates in a manner that aligns within the main four (4) pillars of sustainability, which are economic, environmental, social and governance (“EESG”) factors. A material matters assessment is conducted during the FPE 2023 to identify and evaluate the Group’s material sustainability risks and opportunities which are most relevant to the Group and various stakeholders. The Board identified, assessed and prioritised key sustainability matters within the EESG contexts and also formulating sustainability strategies in line with the seventeen (17) Sustainable Development Goals adopted by the United Nations.

In addition, the Board recognises the needs for regular stakeholders’ engagement in shaping sustainable strategies and priorities. These engagements enable the Group to have better understanding on the needs and expectations of stakeholders, thereby improving the Group’s sustainability.

The Board understands that the market environment and sustainability trends are constantly evolving and strives to undergo appropriate and relevant training programs in order to stay abreast and relevant with the latest sustainability issues. During the FPE 2023, the Directors attended several trainings programmes, including sustainability-related trainings, and are updated with the latest sustainability issues and trends through the Company Secretaries and Senior Management. At the same time, the Board is also kept updated by the ARMC on the Group’s risk management and internal control system, which also involves the sustainability risks relevant to the Group. In addition, the NC has assessed the performance of each Board member with regards to their skills, knowledge and duties discharged relating to sustainability management.

For more information regarding the Group’s sustainability principles, strategies and other relevant matters, please refer to the Sustainability Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART II: BOARD COMPOSITION

5. BOARD DIVERSITY

Currently, the Board consists of seven (7) Directors, two (2) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, as follows:

Name	Directorship
Tan Sri Datuk Cham Hak Lim	Independent Non-Executive Chairman
Mr. Ong Soon Lim (Appointed on 26/1/2024)	Group MD
Encik Zulamran bin Hamat	Executive Director cum Chief Executive Officer
Dato' Seow Thiam Fatt	Senior Independent Non-Executive Director
Mr. Teh Li King (Appointed on 26/1/2024)	Non-Independent Non-Executive Director
Ms. Sharon Ng Saw Ean (Appointed on 1/4/2024)	Independent Non-Executive Director
Ms. Yeong Siew Lee (Appointed on 1/4/2024)	Independent Non-Executive Director

The current Board structure complies with the prescribed requirement of Rule 15.02 of AMLR and Practice 5.2 of MCCG with more than half of the Board being Independent Directors and two (2) women Directors serving on the Board. In addition, the majority of the Board comprises Non-Executive Directors to support the objective and independent decision-making process, which in turn protects the interests of our shareholders and stakeholders.

The Board consists of individuals with a diverse background and experience in various fields. The details of the qualification and experience of each Director are set out in the Profile of Directors in this Annual Report.

The Board currently has two (2) women Directors, constituting 28.6% female board representation, which is close to the recommended 30% women directors as outlined in the Practice 5.9 of MCCG. The Board also demonstrates support for gender diversity by having one (1) female representative in Key Senior Management. Although the Diversity Policy is in effect, but the Board has not established any specific action plans or numerical targets in the policy, such as setting a minimum women representation percentage. Nevertheless, gender is not considered a pre-requisite criterion for the directorship in the Company or any managerial positions in the Group, as such appointments shall be based on objective criteria and merit.

Re-election of Directors

Pursuant to Clause 96 of the Company's Constitution, at least one-third (1/3) of the Directors shall retire from office but shall be eligible for re-election at the Annual General Meeting ("AGM"), provided that all Directors shall retire from office once at least every three (3) years. During FPE 2023, the NC conducted assessment on Encik Zulamran Bin Hamat who would retire by rotation at the forthcoming Seventh AGM of the Company.

Clause 102 of the Company's Constitution provides that any Director appointed during the financial year shall hold office only until the next AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation at the AGM. During the FPE 2023, the following Directors are appointed by the Board and shall retire at the the conclusion of the forthcoming AGM and being eligible, they have offered themselves for re-election in accordance with Clause 102 of the Company's Constitution:

- (a) Mr. Teh Li King (Appointed as Non-Independent Non-Executive Director on 26 January 2024);
- (b) Mr. Ong Soon Lim (Appointed as Group MD on 26 January 2024);
- (c) Ms. Sharon Ng Saw Ean (Appointed as Independent Non-Executive Director on 1 April 2024); and
- (d) Ms. Yeong Siew Lee (Appointed as Independent Non-Executive Director on 1 April 2024).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART II: BOARD COMPOSITION (cont'd)

5. BOARD DIVERSITY (cont'd)

Re-election of Directors (cont'd)

Upon review, the NC, being satisfied with the performance as well as the fit and proper of the abovementioned retiring Directors and recommended to the Board on their re-election at the forthcoming Seventh AGM for shareholders' approval.

Shareholders are adequately informed about the details of the retiring Directors which are set out in the Profile of Directors in this Annual Report. The justifications by the Board to support the re-election of retiring Directors are provided in the Notice of AGM. This enables the shareholders to make well-informed decisions when exercising their voting rights at the AGM.

Tenure of Independent Director

To better uphold the independency of the Board and to avoid potential conflict of interest, the Board has set the limit for the tenure of its Independent Directors to a cumulative period of nine (9) years. In the event the Board intends to retain an Independent Non-Executive Director who has served the Company for more than nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process as recommended by Practice 5.3 of MCCG. This term has been clearly stated in the Company's Board Charter and it is available on the Company's website at www.binacom.com.my/investor-relations.

Currently, none of the Independent Non-Executive Directors has served on the Board of the Company for more than nine (9) years.

Appointment of new Director

The NC is responsible for reviewing the structure, size and composition of the Board regularly and to undertake the review of the appropriate skills (including but not limited to professional skills, where applicable), experience and characteristics required of Board members through set procedures, in the context of the needs of the Group. The members of the NC comprise exclusively of Independent Non-Executive Directors and the composition of the NC is as follows:

Name	Designation	Directorship
Sharon Ng Saw Ean (Appointed on 1/4/2024)	Chairperson	Independent Non-Executive Director
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	Chairperson	Independent Non-Executive Director
Dato' Tan Yee Boon (Retired at 6th AGM on 30/11/2022)	Chairman	Independent Non-Executive Director
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director

The NC is governed by its Terms of Reference approved by the Board which is available on the Company's website at www.binacom.com.my/investor-relations.

As guided by the Company's Directors' Fit and Proper Policy and the Terms of Reference of NC, the NC evaluates objective criteria and merits, including character, integrity, experience, competence, and commitment when appointing Directors. During FPE 2023, there were five (5) new Directors joined the Board while one (1) Director retired at the Sixth AGM and two (2) Directors resigned. All candidates are assessed by the NC on their competency, knowledge, expertise and experience, professionalism, integrity and time commitment based on the fit and proper criteria as outlined in the Directors' Fit and Proper Policy, before making recommendations to the Board for consideration and approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART II: BOARD COMPOSITION *(cont'd)*

5. BOARD DIVERSITY *(cont'd)*

Appointment of new Director *(cont'd)*

The Board did not utilise independent sources to identify new Directors appointed during the financial period, namely Datin Gan Kok Ling, Mr. Teh Li King, Mr. Ong Soon Lim, Ms. Sharon Saw Ean and Ms. Yeong Siew Lee, who are recommended by the current Board members. However, the Board decision is made objectively in the best interests of the Company, taking into account their diverse skills, expertise and experiences. The Board will consider utilising independent sources to identify suitably qualified candidates as and when necessary in future.

Throughout the FPE 2023, the NC has fulfilled its duties and responsibilities through the following activities:

- (i) Reviewed and assessed the composition and effectiveness of the Board as a whole and Board Committees;
- (ii) Reviewed and assessed the performance of each individual Director in terms of their individual skills, experience, knowledge, credibility and contribution to the Board;
- (iii) Reviewed the terms of office and performance of the ARMC and each of its members;
- (iv) Assessed the independence of Independent Non-Executive Directors;
- (v) Review the tenure of each Director and recommended for re-election to the Board to seek shareholders' approval at the forthcoming AGM;
- (vi) Review the training programmes attended by the Directors and training needs; and
- (vii) Assessed the potential candidates and made recommendations to the Board for appointment of new Directors.

6. OVERALL BOARD EFFECTIVENESS

The Board, through the NC, conducts an annual assessment of the effectiveness of the Board as a whole, Board Committees as well as the performance and contribution of each individual Director. The evaluation process involves individual Directors and members of Board Committees in completing board evaluation forms, board committee evaluation forms and board skills matrix form. It also involves a peer and self-review assessment, where individual Directors assess their own performance and that of fellow Directors. With support from the Company Secretaries, the Board conducted a thorough performance evaluation, considering individual contributions to the Board and Board Committees and overall governance.

Based on the conducted assessment, the NC concluded that they are satisfied with the adequacy of skills, knowledge and time commitment of all Directors to the Company. The Board and Board Committees were found to possess the appropriate mix of skills, expertise, and relevant business acumen necessary for driving the Group's long-term growth.

Additionally, all Independent Directors met the independent criteria outlined in the AMLR and will continue to offer objective and independent views and judgment to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART II: BOARD COMPOSITION (cont'd)

6. OVERALL BOARD EFFECTIVENESS (cont'd)

In order for the Group to remain competitive, the Board ensures that the Directors continue to enhance their skills and stay up to-date with latest regulations, best practices, financial reporting obligations and other issues. All Directors have attended the Mandatory Accreditation Programme prescribed by AMLR and the Directors are committed to the continuous improvement of knowledge and skill sets. During FPE 2023, the following Directors have attended the following training programmes:

Director	Training Programmes/Seminars/Conferences Attended	Date
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	• Advocacy sessions for directors and CEOs of Main Market listed Issuers (Repeat Session) Bursa Malaysia (repeat session)	19/9/2023 27/11/2023
	• Audit Oversight Board Conversion with Audit Committee by SC	
Dato' Seow Thiam Fatt	• Purpose driven leadership: The Importance of Owning an Impact Statement	5/10/2022
	• Unclaimed Money Act 1965	26/9/2022
	• Highlights from Budget 2023	7/10/2022
	• Environmental, Social and Governance (ESG) and Sustainability Reporting	1/1/2023

PART III: REMUNERATION

7. LEVEL AND COMPOSITION OF REMUNERATION

Remuneration Policy and Procedures

The Board has in place a formal and transparent Directors and Senior Management's Remuneration Policy to serve as a guide in formulating the remuneration packages for the Directors and Key Senior Management of the Company, and to recommend the remuneration packages for the approval of the Board. The primary objective of this remuneration policy is to attract, retain and motivate capable and talented individuals within the Group and to ensure they are fairly rewarded for their contributions.

The level of remuneration of the Executive Directors and Key Senior Management of the Company is determined based on, amongst others, their scope of duties, responsibilities, skills and experience, corporate and individual performance and achievement of annual key performance indicators as well as prevailing market practice and economic situation. The remuneration package of Non-Executive Directors includes fixed fees that are appropriately linked to their roles and responsibilities, time commitment and contributions to the Board. The fee shall be fixed in sum and not based on commissions or a percentage of profits or turnover.

The Company aims to promote accountability in practices and hence, every Director shall abstain from discussion and voting of matters pertaining to their individual remuneration.

The Directors and Senior Management's Remuneration Policy, is available at the Company's website at www.binacom.com.my/investor-relations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III: REMUNERATION (cont'd)

7. LEVEL AND COMPOSITION OF REMUNERATION (cont'd)

Remuneration Policy and Procedures (cont'd)

Currently, the RC comprises of the three (3) members, all of whom are Independent Non-Executive Directors and the composition of the RC is as follows:

Name	Designation	Directorship
Sharon Ng Saw Ean (Appointed on 1/4/2024)	Chairperson	Independent Non-Executive Director
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	Chairperson	Independent Non-Executive Director
Dato' Tan Yee Boon (Retired at 6th AGM on 30/11/2022)	Chairman	Independent Non-Executive Director
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director

The RC is governed by its Terms of Reference, which delineates its scope, duties, and responsibilities, including but not limited to the following:

- (i) To review and recommend to the Board the appropriate remuneration packages of Executive Directors, Non-Executive Directors and Key Senior Management based on their responsibilities, performance and contribution;
- (ii) To assist the Board in developing, implementing and administering a fair and transparent procedure for setting policy on remuneration of Directors and Key Senior Management and to review the policy as necessary;
- (iii) To ensure the remuneration packages are determined based on the merit, qualifications and competence of the Directors and Key Senior Management, taking into account the Company's operating results, individual performance and comparable market statistics;
- (iv) To ensure the level of remuneration to be aligned with the business strategy and long-term objectives of the Company considering the complexity inherent in the Company's activities;
- (v) To review the fees and benefits payable to Directors and recommend to the Board of Directors and thereafter to be approved at a general meeting of the Company.

The Terms of Reference of RC, is available at the Company's website at www.binacom.com.my/investor-relations.

During FPE 2023, the main activities undertaken by the RC were as follows:

- (i) Review and recommend directors' fee and benefit payable for the FPE 2023 to the Board for approval; and
- (ii) Review and recommend the remuneration packages of the Executive Directors and Senior Management to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III: REMUNERATION (cont'd)

8. REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

The details of the remuneration of the Directors on the Company and Group basis for the FPE 2023 are disclosed as follows:

The Company

Directors	Fees	Allowance	Salary	Bonus	Benefits-in-Kind	Other Emoluments
	(RM'000)					
Na Boon Aik	-	-	1,200	10	-	146
Zulamran Bin Hamat	-	-	616	260	-	136
Tan Sri Datuk Cham Hak Lim	135	-	-	-	-	-
Dato' Seow Thiam Fatt	99	-	-	-	-	-
Dato' Tan Yee Boon	15	-	-	-	-	-
Datin Gan Kok Ling	36	-	-	-	-	-
Total	285	-	1,816	270	-	282

The Group

Directors	Fees	Allowance	Salary	Bonus	Benefits-in-Kind	Other Emoluments
	(RM'000)					
Na Boon Aik	-	-	1,350	10	-	164
Zulamran Bin Hamat	-	-	686	260	-	145
Tan Sri Datuk Cham Hak Lim	135	-	-	-	-	-
Dato' Seow Thiam Fatt	99	-	-	-	-	-
Dato' Tan Yee Boon	15	-	-	-	-	-
Datin Gan Kok Ling	36	-	-	-	-	-
Total	285	-	2,036	270	-	309

When establishing the remuneration packages for the Key Senior Management, due consideration was given to elements in respect of their roles, skills, expertise, and the extent of their contributions to the Group's overall performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III: REMUNERATION (cont'd)

8. REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

The Board believes that providing a detailed disclosure of remuneration of the Key Senior Management on a named basis would not be in the best interest of the Company due to the competitive environment, which could potentially pose challenges for talent retention. After due consideration of sensitivity and confidentiality of remuneration details, the Board has decided to disclose the remuneration of Key Senior Management received for the FPE 2023 in bands of RM50,000 on an unnamed basis in compliance with the MCCG, as tabled below:

Range of Remuneration*	Number of Key Senior Management
Up to RM50,000	1
RM200,000 – RM250,000	2
RM250,001 – RM300,000	2

Note:

* The remuneration includes salary and other emoluments, bonuses, contributions to the defined contribution plan and social security contributions. Successive bands of RM50,000 are not shown entirely as they are not represented.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

9. AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC comprises of the three (3) members, all of whom are Independent Non-Executive Directors and the composition of the ARMC is as follows:

Name	Designation	Directorship
Dato' Seow Thiam Fatt	Chairman	Senior Independent Non-Executive Director
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
Yeong Siew Lee (Appointed on 1/4/2024)	Member	Independent Non-Executive Director
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	Member	Independent Non-Executive Director
Dato' Tan Yee Boon (Retired at 6th AGM on 30/11/2022)	Member	Independent Non-Executive Director

The ARMC holds a pivotal position within the Company's governance structure by supporting the Board in fulfilling its oversight responsibilities, promoting transparency and accountability while driving sustainable business performance. To reinforce the independence and objectivity of the ARMC, the roles of Board Chairman and ARMC Chairman are held by different individuals, with Tan Sri Datuk Cham Hak Lim as Board Chairman and Dato' Seow Thiam Fatt as ARMC Chairman.

All members of the ARMC are financially literate, competent and possess the necessary knowledge and expertise to effectively discharge their duties. The ARMC stays updated on accounting and auditing standards, practices, and rules through continuous professional development and updates from both Management and external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

PART I: AUDIT COMMITTEE *(cont'd)*

9. AUDIT AND RISK MANAGEMENT COMMITTEE *(cont'd)*

In accordance with MCCG Practice 9.2 and the Terms of Reference of the ARMC, individuals who were former partners of the external audit firm of the Company must observe a cooling-off period for a minimum of three (3) years before being considered for appointment as a member of the ARMC. Presently, none of the ARMC members are the former partners of the external audit firm of the Company.

Effectiveness and Independence of External Auditors

The Board, through the ARMC maintains a transparent and professional relationship with External Auditors of the Company in seeking professional advice and towards ensuring compliance with the accounting standards. The External Auditors are invited to attend the meetings of ARMC to discuss on the audit plan, audit findings and financial statements. The ARMC shall meet with the External Auditors without the presence of Executive Directors and other senior management to discuss on the Group's audit activities and adequacy of controls.

The ARMC is tasked by the Board to assess, review and supervise the performance including the suitability, independence and objectivity of the External Auditors on an annual basis. The annual performance evaluation on the External Auditors has also covered the following aspects as set out in the Terms of Reference of the ARMC:

- (i) ability to meet deadlines and respond to issues in a timely manner;
- (ii) competence, audit quality and resource capacity; and
- (iii) nature and extent of the non-audit services tendered and the appropriateness of the level of fees.

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the Malaysian Institute of Accountants' By-Law (on Professional Ethics, Conduct and Practice).

The details of the key activities carried out by the ARMC during the FPE 2023 are set out in Audit and Risk Management Committee Report of this Annual Report.

10. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for establishing a sound and effective risk management framework and internal control system within the Group which encompasses financial, operational, legal and regulatory compliance control to safeguard shareholders' investments and the Group's assets during its course of business. To reinforce the risk management overview, the Board through the ARMC established and implemented an Enterprise Risk Management ("ERM") framework throughout the Group to assist the Board in monitoring and evaluating the measures taken to mitigate the business risks identified time to time.

Additionally, the Board has established several internal control systems, including company policies, standard operating procedures ("SOPs"), which help ensure the seamless functioning of business operation, aligning with principles of sound governance.

The Board is supported by ARMC in overseeing the sufficiency and effectiveness of the Group's risk management and internal control system. Further details on the current risk management and internal control framework within the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

PART I: AUDIT COMMITTEE (cont'd)

11. INTERNAL AUDIT FUNCTION

To ensure the internal audit remains impartial and independent from the Company's management and the functions it evaluates, the Company has outsourced its internal audit function to an independent professional firm, Sterling Business Alignment Consulting Sdn Bhd. ("Internal Auditors"). The appointed Internal Auditors is independent and free from any relationships or conflict of interests within the Group, this allows them to provide fair and objective assessment on the governance, risk management and internal controls of the Group. The Internal Auditors will conduct internal audit reviews periodically based on the approved internal audit plan, and they will report directly to the ARMC.

During the FPE 2023, the Internal Auditors conducted six (6) audit cycles and reviewed the following operational areas:

Internal Audit Coverage Area	Coverage Period
Procurement and Supplies Quality Assurance, Logistics Management and Operating stock items (non-inventory) - Binasat Sdn Bhd	Quarter 1, FPE 2023
Finance and Accounts and Contract Functions - Borderless Connection Sdn Bhd	Quarter 2, FPE 2023
Follow-up status review – Binasat Sdn Bhd	Quarter 3, FPE 2023
Follow-up status review – Borderless Connection Sdn Bhd and Binasat Sdn Bhd	Quarter 4, FPE 2023
Project Management, Billing and Collection, Procurement and Supplies Quality Assurance, and the Management of Subcontractor functions - Borderless Connection Sdn Bhd	Quarter 5, FPE 2023
Tender Management and Costing functions - Binasat Sdn Bhd and Satellite NOC Sdn Bhd	Quarter 6, FPE 2023

For the FPE 2023, the Board holds the view that the Group's internal control function is operating adequately and effectively, and no noteworthy weaknesses were detected that could significantly impact on the Group's financial performance or operations necessitating separate disclosure in this Annual Report. The total cost incurred for internal audit function of the Group for the FPE 2023 is RM75,000.

Further details on the Group's internal audit function are provided in the Statement on Risk Management and Internal Control within this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I: ENGAGEMENT WITH STAKEHOLDERS

12. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of cultivating constructive relationships with investors to enhance shareholder value. As part of its commitment, the Board consistently provides shareholders and various stakeholders with transparent and timely updates on the Group's business and corporate developments to ensure effective communication with stakeholders.

The Company maintains a corporate website at www.binacom.com.my which serves as a platform for shareholders, investors, and the general public to access pertinent information, including the Group's corporate profile, products, financial performance announcements and other corporate information. Additionally, general public may also reach out to the Company through the "Contact Us" section available at the Company's website at www.binacom.com.my/contact-us/ to send enquiries, suggest improvements or lodge complaints. The AGM of the Company also serves as a vital platform to engage meaningful communication with shareholders in fostering direct engagement and accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(cont'd)*

PART II: CONDUCT OF GENERAL MEETINGS

13. EFFECTIVE GENERAL MEETINGS

The Board acknowledges the significance of the AGM as a crucial platform for engaging with the Company's shareholders. It serves as the primary forum for dialogue and interaction, allowing shareholders to address and clarify any concerns while gaining deeper insights into the Group's business and corporate developments.

The Directors, Senior Management and the Company's External Auditors, who are also present at the AGM of the Company to communicate with the shareholders, investors and media as well as to respond to the questions raised during the meeting. The notice and agenda of the AGM together with the proxy form are given to shareholders at least twenty-eight (28) days before the AGM of the Company, which gives shareholders sufficient time to prepare themselves to attend the AGM of the Company or to appoint a proxy to attend and vote on their behalf. Additionally, each item of special businesses in the notice of AGM and Extraordinary General Meeting ("EGM") was accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.

During the financial year ended 30 June 2022, the 6th AGM and EGM of the Company held on 30 November 2022 were conducted on a virtual basis via Remote Participation and Voting facilities provided by Agmo Digital Solutions Sdn Bhd. All shareholders were briefed on the voting procedures by the poll administrator prior to poll voting and the results of the votes were scrutinised by an independent scrutineer, Aegis Communication Sdn Bhd. Upon conclusion of the general meetings, the results of all resolutions proposed at the 6th AGM and EGM of the Company were subsequently announced to Bursa Securities on the same day respectively.

In line with best practices recommended by the MCCG, the minutes of the 6th AGM and EGM were made available on the Company's website at www.binacom.com.my/investor-relations within thirty (30) business days after the conclusion of the meetings.

COMPLIANCE STATEMENT

Saved for those departures highlighted in the CG Report, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible corporate governance standards through the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable and appropriate. The Board will continue to improve and advance in corporate governance policies and procedures as necessary.

This CG Statement was reviewed and approved by the Board on 24 April 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

Pursuant to the Rule 15.26(a) of the AMLR of Bursa Securities, the Directors are required to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards ("MFRS") approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 as well as the financial performance and cash flows of the Group and the Company for the financial period then ended.

During the preparation of the financial statements for the FPE 2023, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities and material misstatements.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the AMLR of Bursa Securities, the Board is pleased to present this Statement on Risk Management and Internal Control, which illustrate the nature and scope of the risk management and internal control system implemented across Binasat Group for FPE 2023. This statement is prepared in line with Practice 10.1 and 10.2 of the MCCG and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges and affirms its overall responsibility to maintain and oversee the adequacy and efficiency of the Group's risk management framework and internal control system. Such system covers the Group's financial, operational and regulatory compliance aspects with the aim to safeguard our shareholders' investment, stakeholder's interest and the Group's assets.

The Board is supported by the ARMC to monitor and review the adequacy, effectiveness and integrity of the Group's risk management and internal control system on a regular basis. Nevertheless, given the inherent limitations of any risk management and internal control system, the said system is designed to manage, rather than completely eliminate, the risks that may hinder the Group from achieving its business objectives. Hence, it shall only provide reasonable, but not absolute, assurance on its effectiveness against any material financial misstatement, loss, fraud or unforeseeable circumstances.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges the importance of an effective risk management in safeguarding our operations and achieving our strategic objectives. To this end, the Board, through the ARMC, has implemented an ERM Framework across the Group to systematically identify, assess and monitor the Group's risks on an on-going basis. Close monitoring and control procedures, including the establishment of appropriate key performance indicators, are also put in place to ensure that the risk management framework is functioning effectively and all risks are appropriately managed. By implementing ERM Framework, the Group can adequately address uncertainties in both of our internal and external environments, thereby mitigating threats, maximising opportunities and achieving sustainable growth while protecting the shareholders' investment, stakeholders' interest and the Group's assets.

Under our ERM Framework, risks are identified through comprehensive risk assessment during the strategic planning process. Such risk assessment is well-aligned with the Group's ambitions and business objectives. The identified risks are then evaluated and discussed by the Management to determine the most suitable strategies for mitigation. Our objective is to manage these risks within the Group's acceptable risk appetite and tolerance levels.

The Board is assisted by the ARMC, who in turn is supported by the Management for the regular reporting on the Group's significant risks as well as the progress of mitigation actions in place. For the FPE 2023, a total of ten (10) key risks were identified and discussed with ARMC. In an effort to strengthen our risk management framework and mitigate the Group's risk exposures, we continuously improve our risk management practices by extending the scope across the Group and regularly monitoring the mitigation responses in place.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY ELEMENTS OF INTERNAL CONTROL

While the Board focuses on overseeing risk management and setting the tone and culture for an efficient risk management and internal control system, the Management is entrusted with the responsibility to implement the Group's internal control system across its daily operations.

Amongst others, the Group's key internal controls in place during FPE 2023 include: -

- Organisation Structure

A well-defined organisation structure with clear lines of accountability is established across the Group to promote segregation of duties and delegation of authorities.

- Board and Board Committees

The Board is supported by three (3) Board Committees, namely the ARMC, NC and RC, as well as the Senior Management to ensure that the Board maintains effective supervision over the control processes. To ensure an effective discharge of responsibilities, the Board is guided by the Board Charter while the Board Committees are operating in accordance with their respective Terms of References.

The Board and all Board Committees conduct meetings regularly to assess and deliberate on the Group's performance, from both financial and operational perspective.

- Policies and Procedures

Operational policies and procedures are formalised to provide guidance to all employees in safeguarding the Group's assets against material losses in their daily activities. The Group's policies and procedures are documented in manuals and handbooks to regulate relevant key processes in compliance with the International Organisation for Standardisation ("ISO") 9001:2015. These documented policies and procedures are subjected to periodic review, revision and update in order to ensure that they remain current and relevant with the latest business and regulatory environment.

- The Code, ABC Policy, WB Policy

The Code has been established and endorsed by the Board to serve as a guideline for all individuals associated with the Group, including Directors, employees, suppliers and vendors, to uphold the highest level of business ethics and corporate governance standard in business conducts and dealings. The Code covers a wide range of scopes, such as human rights, gifts and business courtesies, anti-bribery and anti-corruption, integrity and professionalism, confidential information, anti-money laundering, insider dealing, corporate governance and conflict of interests.

In compliance with the Malaysian Anti-Corruption Commission Act 2009, an ABC Policy has been implemented to set out the parameters for preventing the occurrence of bribery and corruption acts within the Group in our best effort basis. The ABC Policy covers various aspects such as gifts, donations and sponsorships, facilitation payments and conflict of interest. It is applicable to all Directors and employees within the Group as well as the entire supply chain, covering interactions with third parties such as agents, suppliers, vendors, contractors, subcontractors and distributors. All employees are required to acknowledge their understanding and commitment to the ABC Policy through a Staff Declaration Form.

The Group has also put in place a WB Policy to provide an avenue for all employees and stakeholders to raise concerns or make genuine reports on any suspected or known malpractice, misconduct or violations of policies and regulations within the Group. All information received will be handled confidentially with the utmost discretion to protect the whistleblower.

All the Code, ABC Policy and WB Policy are accessible on the Company's website at <https://www.binacom.com.my/investor-relations/>.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY ELEMENTS OF INTERNAL CONTROL *(cont'd)*

- Human Resource Policy

Guidelines on human resource management are in place to ensure the appropriate recruitment and retention of competent employees with the requisite knowledge, skills and experience. This shall ensure that our employees are capable to carry out their assigned duties and responsibilities effectively and efficiently.

Recognising the ever-changing business and technological landscape, the Group has provided a wide range of training and development programmes to equip our employees with the necessary skills and knowledge in executing their daily activities.

In an effort to uphold the standards of excellence, performance evaluations are conducted for all employees to identify any performance gaps and determine their respective training needs, thereby ensuring that our employees maintain high competency and capability levels.

- Information and Communication

The Group has established effective information and communication infrastructures and channels, such as computerised systems, secured intranet and electronic mail system. These platforms enable timely and secure communication of operational data and management information within the Group, thereby facilitating our informed decision-making process and communication with relevant external stakeholders. At the boardroom level, Board meetings are regularly convened to serve as a platform for effective two-way communication between the Board and the Management.

- Monitoring and Review

The Group's risk management and internal control system undergoes regular monitoring and review by Internal Auditor. The Internal Auditor is tasked to assess and review the adequacy and effectiveness of the Group's internal controls, as well as to identify any potential risks and implications from the audit observations. Recommendations stemming from these assessments are then reported to the ARMC and Management for operational improvements. Additionally, our internal ISO Auditor is empowered to monitor the Group's compliance with ISO certification, serving as an additional line of defence in our internal control framework.

On the other hand, External Auditor is entrusted to ensure the Group's financial integrity through statutory audits. The Group's quarterly financial results and annual audited financial statements are also submitted to the ARMC for review before being presented for the Board's approval. This shall ensure the transparency and accountability in financial reporting, thereby enhancing our shareholders' confidence and trust.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional firm, namely Sterling Business Alignment Consulting Sdn Bhd, to assist the Board and ARMC in conducting independent assessments on the adequacy and effectiveness of the Group's internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT FUNCTION (cont'd)

During the financial period, the Internal Auditor has carried out the following six (6) internal audit reviews in accordance with the internal audit plan duly approved by the ARMC. All internal audit engagements were carried out in accordance to the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control - Integrated Framework and International Standards for the Professional Practice of Internal Auditing: -

Internal Audit Coverage Area	Coverage Period
Procurement and Supplies Quality Assurance, Logistics Management and Operating stock items (non-inventory) - Binasat Sdn Bhd	Quarter 1, FPE 2023
Finance and Accounts and Contract Functions - Borderless Connection Sdn Bhd	Quarter 2, FPE 2023
Follow-up status review – Binasat Sdn Bhd	Quarter 3, FPE 2023
Follow-up status review – Borderless Connection Sdn Bhd and Binasat Sdn Bhd	Quarter 4, FPE 2023
Project Management, Billing and Collection, Procurement and Supplies Quality Assurance, and the Management of Subcontractor functions - Borderless Connection Sdn Bhd	Quarter 5, FPE 2023
Tender Management and Costing functions - Binasat Sdn Bhd and Satellite NOC Sdn Bhd	Quarter 6, FPE 2023

To ensure an effective internal audit function, at least two (2) internal auditors were assigned to the audit engagements during FPE 2023. Interviews with the Management and access to internal documents were made available to the Internal Auditor to facilitate the conduct of audit process. To uphold the independence, the Internal Auditor is authorised to report directly to the ARMC. Upon completion of audit engagement, the audit findings, together with the recommendations for improvement and Management’s responses, were presented to the ARMC at scheduled meetings. The Management was then responsible to implement the rectification action plans with due follow-up audits by the Internal Auditor who will report the same to the ARMC.

Based on the internal audit reviews carried out by the Internal Auditor, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Guided by the Terms of Reference, the ARMC periodically assesses the adequacy of scope, functions, competency and resources of the Internal Auditor. Based on the assessment carried out, the Board, via the ARMC, is satisfied with the performance and support rendered by the Internal Auditor in discharging their functions, duties and responsibilities during FPE 2023.

THE BOARD’S COMMITMENT

The Group MD and Executive Director cum Chief Executive Officer, representing the Management, have provided the Board with assurance that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects.

For the FPE 2023 and up to the date of this Statement on Risk Management and Internal Control, the Board is pleased to report that there is no significant internal control deficiencies or material weaknesses that have resulted in material losses, contingencies or uncertainties and required separate disclosure in this Annual Report. Therefore, the Board believes that the existing risk management and internal control system in place is deemed sufficient and adequate to protect shareholders’ investments, stakeholders’ interests and the Group’s assets.

Staying ahead, the Board, together with Board Committees and the Management, will continue to enhance and strengthen the Group’s risk management and internal control system to align with the latest business and regulatory environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the AMLR, the External Auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FPE 2023. Their engagement was performed in accordance with the Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the MIA which does not require the Auditors to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared in all material respects and in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board on 24 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC was established on 14 June 2017 with the primary objective of assisting the Board in fulfilling its fiduciary responsibilities relating to financial reporting, system of internal controls and financial management of the Group.

In performing their duties and discharging their responsibilities, the ARMC is guided by its Terms of Reference. The ARMC's Terms of Reference is available at the Company's website at <https://www.binacom.com.my/investor-relations>.

COMPOSITION AND MEETINGS

In compliance with Paragraph 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 under Principle B of the MCCG 2021, the ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the ARMC, Dato' Seow Thiam Fatt is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators, member of MIA and MICPA.

During the financial period, the composition of the ARMC and record of meeting attendance under period review are as follows: -

Name	Directorship	Meeting Attendance
Chairman		
Dato' Seow Thiam Fatt	Senior Independent Non-Executive Director	7/7
Members		
Tan Sri Datuk Cham Hak Lim	Independent Non-Executive Director	7/7
Yeong Siew Lee (Appointed on 1/4/2024)	Independent Non-Executive Director	-
Dato' Tan Yee Boon (Retired at 6th AGM on 30/11/2022)	Independent Non-Executive Director	2/2*
Datin Gan Kok Ling (Appointed on 1/1/2023 and resigned on 1/4/2024)	Independent Non-Executive Director	4/4*

* Reflects the number of meetings held during the time of Director held office.

The ARMC had convened seven (7) meetings during FPE 2023. Mr Na Boon Aik, our MD (resigned on 26 January 2024) and Encik Zulamran Bin Hamat, our Executive Director cum Chief Executive Officer, were invited to all ARMC meetings to provide additional information and clarification on operations, financials and audit related matters, thereby facilitating the conduct of meetings. Representative of External Auditor, Internal Auditor and other advisers as well as Key Senior Management, when necessary, were also invited to the ARMC meetings to deliberate on matters within their purview with Company Secretary in attendance.

Meeting agenda and materials were distributed to the ARMC members in advance to ensure that sufficient time is provided for them to peruse the relevant material in order to facilitate their deliberation and decision-making process in the scheduled meetings. All discussions and decisions made during the ARMC meetings were duly recorded by the Company Secretary. The meeting minutes were then tabled at the next ARMC meeting for confirmation and presented to the Board for notation. These minutes were properly documented and maintained in accordance with applicable regulations and governance practices.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES OF THE ARMC DURING FPE 2023

During the FPE 2023, the main activities undertaken by the ARMC in the discharged of its duties were as follows:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board and release the same to Bursa Securities; and
- (b) Reviewed the draft audited financial statements of the Company and the Group for FYE 2022 prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.

2. External Audit

- (a) Reviewed the Group's audit planning memorandum for the FPE 2023, which details the overview of audit approach and areas of audit emphasis of the Group;
- (b) Reviewed the audit review memorandum for the FPE 2023 presented by the External Auditors, entailing the significant audit findings, deficiencies in internal control and recommendation, status of audit, compliance with the ethical requirements of independence, communication with the ARMC and summary of audit adjustments;
- (c) Conducted evaluation of the performance of External Auditors, reviewed their independence, suitability, objectivity and effectiveness before recommending their re-appointment and remuneration to the Board;
- (d) Reviewed the annual audited financial statements of the Group and the Company prior to submission to the Board for approval and release the same to Bursa Securities; and
- (e) Conducted one (1) private meeting with the External Auditors on 30 November 2023, without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.

3. Internal Audit

- (a) Reviewed the Internal Audit Plan presented by the Internal Auditors;
- (b) Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the Management's responses and the necessary recommendations;
- (c) Reviewed and discussed the effective implementation of the action plans taken by Management in response to audit findings and weaknesses identified during the audit review;
- (d) Monitored the follow-up Audit Report on the internal audit finding(s) and the implementation status based on the Internal Auditors' recommendations;
- (e) Reviewed and assessed the competency of the internal audit function; and
- (f) Met with Internal Auditors in private sessions without the presence of the Executive Directors and Management for discussion on internal audit related matters.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES OF THE ARMC DURING FPE 2023 *(cont'd)*

4. Risk Management and Internal Control

- (a) Reviewed the Group's Enterprise Risk Management on the identification and assessment of risks as well as the Management's responses to the identified risks;
- (b) Evaluated the overall effectiveness of the risk management and internal control system of the Group; and
- (c) Reviewed the Statement on Risk Management and Internal Control prior to recommending the same to the Board for approval and inclusion in the Annual Report.

5. Related Party Transactions

- (a) Reviewed related party transactions entered into by the Group on quarterly basis.

6. Others

- (a) Reviewed the ARMC Report prior to the recommendation to the Board for approval for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Company regards internal audit function as an essential part to ensure the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function of the Group was carried out by Sterling Business Alignment Consulting Sdn Bhd, an independent professional internal audit services provider.

The Internal Auditors conduct independent, regular and systematic review of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditors report directly to the ARMC and assist the Board in monitoring the internal controls and mitigate the risk of the Group.

(1) Summary of Works

The summary of works that were carried out by the internal audit function during the FPE 2023 encompassed the following: -

- (a) Assessed the adequacy and effectiveness of the Group's internal control system and recommend appropriate actions to be taken where necessary;
- (b) Ensured that those weaknesses were appropriately addressed and that recommendations from the Internal Auditors and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management;
- (c) Formulated annual audit plan that focuses on controls, managing the principal risks of the Group. Audits are prioritised according to an assessment of the potential risk exposures; and
- (d) Presentation of audit findings and corrective actions to be taken by the Management in the quarterly ARMC meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION *(cont'd)*

(2) Total costs incurred for the FPE 2023

The total costs incurred for the outsourcing of the internal audit function of the Group during the FPE 2023 amounted to RM75,000.

(3) Review of Internal Audit Function

The ARMC and the Board were satisfied with the performance of the Internal Auditors for the FPE 2023.

The Committee is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the Group which would require a separate disclosure in the financial statement.

For further insights of our internal audit function, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

This Report was made in accordance with the approval of the Board on 24 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

(1) INITIAL PUBLIC OFFERING (“IPO”)

The entire enlarged issued share capital of the Company comprising 260,000,000 ordinary shares was listed on the ACE Market of Bursa Securities on 8 January 2018. Pursuant to the said listing, the Company had successfully raised gross proceeds of RM39.55 million from the issuance of 85,979,000 new ordinary shares in the Company at an issue price of RM0.46 per share. The gross proceeds of RM39.55 million raised from the IPO have been utilised in the following manner as at 31 December 2023: -

No	Purpose of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation ⁽¹⁾
1.	Setting up a teleport	14,360	14,360	-	Within 24 months
2.	Enhancing operations and maintenance services capability	4,900	4,900	-	Within 36 months
3.	Enhancing fibre optic network installation and commissioning services capability	4,800	4,800	-	Within 36 months
4.	Regional business expansion in ASEAN countries	1,500	1,500	-	Within 36 months
5.	Working capital	10,790	10,790	-	Within 30 months
6.	Estimated listing expenses	3,200	3,200	-	Within 3 months
Total		39,550	39,550	-	

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 on 28 February 2020.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

(1) INITIAL PUBLIC OFFERING (“IPO”) (cont'd)

As announced on 15 June 2020, items 2, 3 and 4 of the above utilisations of proceeds will be varied. Post variation, the status of utilisation as at the 31 December 2023 is as follow: -

Details of use of proceeds	Initial Utilisation RM'000	Actual Utilisation as at 18 May 2020 RM'000	Balance Unutilised as at 18 May 2020 RM'000	Varied Amount RM'000	Total amount after variation RM'000	Actual Utilisation of varied amount RM'000	Balance unutilised as at 31 December 2023 RM'000	Estimated Timeframe for Utilisation
Enhancing operations and maintenance services capability	4,900	1,505	3,395	-	3,395	3,395	-	Within 18 months ⁽¹⁾
Enhancing fibre optic network installation and commissioning services capability	4,800	58	4,742	1,492	6,234	6,234	-	Within 18 months ⁽¹⁾
Regional Business expansion in ASEAN countries	1,500	8	1,492	(1,492)	-	-	-	Within 18 months ⁽¹⁾
Total	11,200	1,571	9,629	-	9,629	9,629	-	

Note:

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

(2) PRIVATE PLACEMENT

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

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

The Company has on 3 November 2021 issued the first tranche 21,375,000 Placement Shares with the issue price of RM0.35 per Placement Share and second tranche of 21,271,700 Placement Shares with the issue price of RM0.30 per Placement Share on 19 December 2021.

The Private Placement was completed following the issuance of the third and final tranche of 22,069,200 Placement Share at an issue price of RM0.26 per Placement Share on 21 December 2021.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

(2) PRIVATE PLACEMENT (cont'd)

As at 31 December 2023, the gross of RM19.56 million from the Company's Private Placement has been fully utilised in the following manner: -

No	Purpose of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
1.	Enhancing the Group's fibre optic network installation and commissioning service capability	1,290	1,290	-	Within 24 months
2.	Working capital	18,082	18,082	-	Within 24 months
3.	Estimated expenses for the Proposed Private Placement	185	185	-	Immediate
Total		19,557	19,557	-	

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors by the Group and the Company for the financial period ended 31 December 2023 are as follows: -

	Company (RM'000)	Group (RM'000)
Audit Fees	73	290
Non-Audit Fees		
- Review of Statement on Risk Management and Internal Control	5	5
Total	78	295

MATERIALS CONTRACTS INVOLVING DIRECTORS AND SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group involving the interest of the Directors' and/or major shareholders either subsisting as at 31 December 2023 or entered into since the end of the previous financial year.

EMPLOYEE SHARE OPTION SCHEME

The Group did not offer any share scheme for employees during the financial period under review.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE

The details of RRPTs of the Company and the Group made during the FPE 2023 are disclosed in Note 32 to the Financial Statements of this Annual Report.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

CHANGE OF FINANCIAL YEAR END

On 9 October 2023, the Company changed its financial year end from 30 June to 31 December. Accordingly, the financial statements of the Company covers a period of 18 months from 1 June 2022 to 31 December 2023.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial period	(12,484,319)	(16,695,339)
Attributable to:-		
Owners of the Company	(13,510,894)	(16,695,339)
Non-controlling interests	1,026,575	-
	(12,484,319)	(16,695,339)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial period there were no new issue of shares or debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS' REPORT

cont'd

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for impairment losses in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

In the opinion of the Directors, no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

cont'd

ITEMS OF MATERIAL AND UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature other than the impairment of goodwill and gain on disposal of investment property disclosed in Note 10 and Note 26 of the financial statements respectively.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

DIRECTORS

The names of Directors of the Company who served during the financial period and up to the date of this report are as follows:-

Tan Sri Datuk Cham Hak Lim	
Dato' Seow Thiam Fatt	
Zulamran bin Hamat	
Datin Gan Kok Ling	(Appointed on 1 January 2023 and resigned on 1 April 2024)
Ong Soon Lim	(Appointed on 26 January 2024)
Teh Li King	(Appointed on 26 January 2024)
Yeong Siew Lee	(Appointed on 1 April 2024)
Sharon Ng Saw Ean	(Appointed on 1 April 2024)
Dato' Tan Yee Boon	(Resigned on 30 November 2022)
Na Boon Aik	(Resigned on 26 January 2024)

The names of Directors of the Company's subsidiaries who served during the financial period and up to the date of this report, not including those Directors mentioned above, are as follows:-

Limus bin Ibal	
Mohd Solehuddin bin Yahya	
Gan Tseng Heng	(Appointed on 14 July 2023)
Nik Abdul Hakim bin Abd Razak	(Resigned on 14 July 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the interests of Directors holding office at the end of the financial period in shares of the Company and its related corporations during the financial period are as follows:-

	← Number Of Ordinary Shares →			
	At 1.7.2022	Bought	Sold	At 31.12.2023
The Company				
<i>Direct Interests</i>				
Tan Sri Datuk Cham Hak Lim	1,200,000	-	-	1,200,000
Dato' Seow Thiam Fatt	400,000	-	(100,000)	300,000
Na Boon Aik	74,436,751	-	(74,436,751)	-
Zulamran bin Hamat	3,000,000	-	(500,000)	2,500,000

The other Directors holding office at the end of the financial period had no interest in shares of the Company or its related corporations during the financial period.

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the Directors' remuneration paid or payable to the Directors of the Company and its subsidiaries during the financial period are as follows:-

	The Group	The Company
	RM	RM
Fees	285,000	285,000
Salaries, bonuses and other benefits	2,849,012	2,117,090
Defined contribution benefits	334,761	250,420
	3,468,773	2,652,510

INDEMNITY AND INSURANCE COST

No indemnity has been given to or insurance effected for the Directors and officers of the Company pursuant to Section 289 of the Act.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial period end.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period is disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Significant event occurring after the reporting period is disclosed in Note 38 to the financial statements.

DIRECTORS' REPORT

cont'd

AUDITORS

The auditors, Messrs Ecovis Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company during the financial period are as follows:-

	The Group	The Company
	RM	RM
Audit fees	289,500	72,500
Non-audit fees	5,000	5,000
	294,500	77,500

Signed in accordance with a resolution of the Directors dated 24 April 2024.

Ong Soon Lim

Zulamran bin Hamat

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ong Soon Lim and Zulamran bin Hamat, being two of the Directors of Binasat Communications Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 74 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial period ended on that date.

Signed in accordance with a resolution of the Directors dated 24 April 2024.

Ong Soon Lim

Zulamran bin Hamat

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Dr. Chan Ai Joo, being the officer primarily responsible for the financial management of Binasat Communications Berhad, do solemnly and sincerely declare that the financial statements set out on pages 74 to 143 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Dr. Chan Ai Joo, MIA Membership No. 24227
at Kuala Lumpur
in the Federal Territory
on this 24 April 2024

Before me

Dr. Chan Ai Joo

YM Tengku Nur Athiya Tengku Fariddudin (W-881)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BINASAT COMMUNICATIONS BERHAD
(Incorporated in Malaysia)
Registration No: 201701008491 (1222656-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Binasat Communications Berhad ("the Company"), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the *Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

1. Impairment assessment of goodwill on consolidation (Note 4.1(c) and Note 10 to the financial statements)

As at 31 December 2023, the Group's goodwill arising from the acquisition of Borderless Connection Sdn. Bhd. was RM16 million. The Group is required to perform an annual impairment assessment of the cash-generating unit ("CGU") to which the goodwill had been allocated to, irrespective of whether there is any indication of impairment.

The Group estimated the recoverable amount of the CGU to which goodwill is allocated based on its value in use ("VIU"). Arising from the impairment assessment, an impairment loss on goodwill of RM16 million was recognised at the end of the financial period.

We considered this to be an area of focus as the determination of VIU of the CGU is inherently uncertain due to the application of significant management judgement, estimates and assumptions in arriving at the underlying cash flow forecast, in particular the discount rate and gross margin applied to the forecast.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATIONS BERHAD

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key Audit Matters *(cont'd)*

Group *(cont'd)*

1. Impairment assessment of goodwill on consolidation (Note 4.1(c) and Note 10 to the financial statements) *(cont'd)*

Our audit response:

We performed, among others, the following audit procedures:

- Obtained an understanding of the methodologies adopted by the management in estimating the VIU;
- Evaluated management key assumptions for forecasted revenue, gross margin and net profit margin by considering past, current and expected future performance of the CGU and the relevant economic conditions. We compared the forecasted revenue, gross margin and net profit margin to past trends and historical data of Borderless Connection Sdn. Bhd.;
- Assessed, with the involvement of auditors' expert, the appropriateness of the discount rate used in discounting the future cash flows to present value;
- Assessed the sensitivity of the cash flows to changes in the key assumptions; and
- Evaluated the adequacy of disclosures made in the financial statements, in particular the key assumptions used in arriving at VIU of the CGU.

2. Recoverability of trade receivables and contract assets (Note 4(d), Note 14 and Note 35.1(b)(iii) to the financial statements)

The Group recorded trade receivables and contract assets of RM74 million, which represents 44.6% of the Group's total assets as of 31 December 2023.

The Group assessed on a forward-looking basis the expected credit loss ("ECL") associated with its trade receivables and contract assets using the simplified approach. The impairment assessment involved significant management judgement where inherent uncertainty persists in the use of assumptions such as the Group's past bad debts history, financial condition and payment trend of receivables and existing market conditions incorporating forward-looking information.

We determined this to be a key audit matter due to inherent subjectivity involved in making judgement in relation to credit risks exposure in assessing the recoverability of trade receivables and contract assets.

Our audit response:

We performed, among others, the following audit procedures:

- Reviewed contractual terms to ensure the Group has contractual right to recognise revenue and collect payments;
- Requested confirmation from major trade receivables on outstanding balances as at reporting date;
- Enquired management on status of receivables for major customers and long outstanding balances;
- Verified billings during the financial period of major trade receivables;
- Traced subsequent collection of major trade receivables; and
- Reviewed management's assessment of ECL on trade receivables and contract assets by making reference to the Group's historical bad debts records, publicly available information and credit ageing of the Group's customer.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BINASAT COMMUNICATIONS BERHAD
(Incorporated in Malaysia)
Registration No: 201701008491 (1222656-D)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

3. Revenue from contracts with customers (Note 4.22 and Note 24 to the financial statements)

Consolidated revenue recorded by the Group during the financial year amounted to approximately RM132 million. In view of the Group's large volume of transactions, we considered revenue from contracts with customers to be of higher risk of material misstatement in terms of timing and amount of revenue recognised. Accordingly, we regard revenue recognition to be a key audit matter.

Our audit response:

We performed, among others, the following audit procedures:

- Obtained understanding and evaluated the project costing process in determining project costs at initiation and throughout life of the project, as well as the amount of contract assets and revenue recognised in the financial statements;
- For a selection of contracts:
 - (i) assessed management's estimated cost to complete by agreeing to supporting documents and comparing to actual costs incurred;
 - (ii) agreed the total contract sums to contracts entered into between the Group and its customers;
 - (iii) tested total costs incurred during the period to the project costing report; and
 - (iv) verified actual invoices and traced to progress billings issued during the financial period.
- Discussed with management adjustments for project costing and potential foreseeable contract losses, if any;
- Assessed the appropriateness of revenue and cost recognition to determine compliance with MFRS 15 *Revenue from Contracts with Customers*; and
- Evaluated the adequacy of disclosures in the financial statements.

Company

We have determined that there are no key audit matters to be communicated in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATIONS BERHAD

(Incorporated in Malaysia)

Registration No: 201701008491 (1222656-D)

cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BINASAT COMMUNICATIONS BERHAD
(Incorporated in Malaysia)
Registration No: 201701008491 (1222656-D)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' Responsibilities for the Audit of the Financial Statements *(cont'd)*

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. The financial statements of the Group and of the Company for the financial year ended 30 June 2022 were audited by another firm of chartered accountants whose report dated 13 October 2022 expressed an unqualified opinion on those financial statements.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

EILEEN LIM EE LING
03633/02/2026 J
Chartered Accountant

Kuala Lumpur
24 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		31.12.2023	30.6.2022	31.12.2023	30.6.2022
		RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	53,221,187	67,921,793
Property, plant and equipment	6	31,238,373	29,771,585	40,522	91,069
Investment properties	7	3,911,687	9,417,061	-	-
Right-of-use assets	8	12,638,699	12,695,586	-	-
Trade receivables and contract assets	14	1,969,387	710,120	-	-
Amount owing by a subsidiary	9	-	-	-	5,496,745
Goodwill	10	-	16,098,729	-	-
Intangible assets	11	-	409,066	-	-
Deferred tax assets	12	221,559	45,108	-	-
		49,979,705	69,147,255	53,261,709	73,509,607
CURRENT ASSETS					
Inventories	13	3,026,419	3,856,648	-	-
Trade receivables and contract assets	14	71,944,190	44,358,863	-	-
Other receivables, deposits and prepayments	16	8,329,421	1,060,065	92,290	30,375
Amount owing by a subsidiary	9	-	-	8,254,636	1,100,000
Current tax assets		6,752,794	5,857,139	85,596	-
Short-term investments	17	22,945,360	26,872,163	21,005,258	24,079,243
Cash and bank balances		7,249,633	15,657,363	79,845	589,802
		120,247,817	97,662,241	29,517,625	25,799,420
TOTAL ASSETS		170,227,522	166,809,496	82,779,334	99,309,027

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023
cont'd

	Note	The Group		The Company	
		31.12.2023	30.6.2022	31.12.2023	30.6.2022
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	97,046,583	97,181,083	97,046,583	97,181,083
Merger deficit	19	(16,052,000)	(16,052,000)	-	-
Retained profits		31,997,104	45,507,998	(15,106,132)	1,589,207
Equity attributable to owners of the Company		112,991,687	126,637,081	81,940,451	98,770,290
Non-controlling interests	5	6,035,104	5,002,449	-	-
TOTAL EQUITY		119,026,791	131,639,530	81,940,451	98,770,290
NON-CURRENT LIABILITIES					
Lease liabilities	20	11,685,258	12,281,106	-	-
Borrowings	21	5,912,666	6,439,606	-	-
Deferred tax liabilities	12	1,064,183	1,099,276	-	-
		18,662,107	19,819,988	-	-
CURRENT LIABILITIES					
Trade payables	22	15,934,531	9,054,356	-	-
Other payables and accruals	23	12,585,686	3,497,324	838,883	530,520
Lease liabilities	20	496,991	415,647	-	-
Borrowings	21	3,521,416	1,560,815	-	-
Current tax liabilities		-	821,836	-	8,217
		32,538,624	15,349,978	838,883	538,737
TOTAL LIABILITIES		51,200,731	35,169,966	838,883	538,737
TOTAL EQUITY AND LIABILITIES		170,227,522	166,809,496	82,779,334	99,309,027

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		01.07.2022 to 31.12.2023	01.07.2021 to 30.6.2022	01.07.2022 to 31.12.2023	01.07.2021 to 30.6.2022
		RM	RM	RM	RM
REVENUE	24	132,207,974	83,507,592	-	1,100,000
COST OF SERVICES RENDERED AND CONTRACT EXPENDITURE		(113,948,264)	(66,082,452)	-	-
GROSS PROFIT		18,259,710	17,425,140	-	1,100,000
OTHER INCOME		7,537,285	1,052,416	1,613,877	500,345
ADMINISTRATIVE EXPENSES		25,796,995	18,477,556	1,613,877	1,600,345
OTHER OPERATING EXPENSES		(13,909,662)	(6,786,429)	(3,546,633)	(467,770)
FINANCE COSTS		(22,265,879)	(4,430,781)	(14,751,102)	(35,438)
FINANCE COSTS		(1,296,230)	(660,682)	-	-
NET CHANGE IN IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	25	1,201,387	1,572	-	-
(LOSS) / PROFIT BEFORE TAXATION	26	(10,473,389)	6,601,236	(16,683,858)	1,097,137
TAX EXPENSE	27	(2,010,930)	(1,181,468)	(11,481)	(76,871)
(LOSS)/PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		(12,484,319)	5,419,768	(16,695,339)	1,020,266

The annexed notes form an integral part of these financial statements.

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

	The Group		The Company	
	01.07.2022	01.07.2021	01.07.2022	01.07.2021
	to	to	to	to
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
Note	RM	RM	RM	RM
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	(13,510,894)	4,804,309	(16,695,339)	1,020,266
Non-controlling interests	1,026,575	615,459	-	-
	(12,484,319)	5,419,768	(16,695,339)	1,020,266
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME ATTRIBUTABLE TO:-				
Owners of the Company	(13,510,894)	4,804,309	(16,695,339)	1,020,266
Non-controlling interests	1,026,575	615,459	-	-
	(12,484,319)	5,419,768	(16,695,339)	1,020,266
(LOSS)/EARNINGS PER SHARE (SEN)				
Basic	28	(3.48)	1.37	
Diluted	28	(3.48)	1.37	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

The Group	NOTE	Share Capital RM	Merger Deficit RM	Retained Profits RM	Attributable To Owners Of The Company RM	Non-controlling Interests RM	Total Equity RM
Balance at 1.7.2021		63,389,549	(16,052,000)	40,703,689	88,041,238	307,534	88,348,772
Profit after taxation/Total comprehensive income for the financial year		-	-	4,804,309	4,804,309	615,459	5,419,768
Transactions with owners:							
- Issuance of shares	18	33,791,534	-	-	33,791,534	-	33,791,534
- Issuance of shares by subsidiaries to non-controlling interests		-	-	-	-	122,549	122,549
Acquisition of a subsidiary		-	-	-	-	3,956,907	3,956,907
Total transactions with owners		33,791,534	-	-	33,791,534	4,079,456	37,870,990
Balance at 30.6.2022		97,181,083	(16,052,000)	45,507,998	126,637,081	5,002,449	131,639,530
Balance at 1.7.2022		97,181,083	(16,052,000)	45,507,998	126,637,081	5,002,449	131,639,530
(Loss)/profit after taxation/Total comprehensive (expense)/income for the financial period/year		-	-	(13,510,894)	(13,510,894)	1,026,575	(12,484,319)
Transactions with owners:							
Payment of transaction cost for:							
- Free warrants	37(a)	(124,500)	-	-	(124,500)	-	(124,500)
- Private placement	37(b)	(10,000)	-	-	(10,000)	-	(10,000)
Total transactions with owners		(134,500)	-	-	(134,500)	-	(134,500)
Disposal of a subsidiary		-	-	-	-	6,080	6,080
Balance at 31.12.2023		97,046,583	(16,052,000)	31,997,104	112,991,687	6,035,104	119,026,791

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance at 1.7.2021		63,389,549	568,941	63,958,490
Profit after taxation/Total comprehensive income for the financial year		-	1,020,266	1,020,266
Transactions with owners:				
Issuance of shares	18	33,791,534	-	33,791,534
Total transactions with owners		33,791,534	-	33,791,534
Balance at 30.6.2022/1.7.2022		97,181,083	1,589,207	98,770,290
Loss/Total comprehensive expense for the financial period		-	(16,695,339)	(16,695,339)
Transactions with owners:				
Payment of transaction cost for:				
- Free warrants	37(a)	(124,500)	-	(124,500)
- Private placement	37(b)	(10,000)	-	(10,000)
Total transactions with owners		(134,500)	-	(134,500)
Balance at 31.12.2023		97,046,583	(15,106,132)	81,940,451

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	The Group		The Company	
	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(10,473,389)	6,601,236	(16,683,858)	1,097,137
Adjustments for:-				
Amortisation of intangible assets	409,066	2,372,073	-	-
Depreciation of property, plant and equipment	4,885,442	2,272,765	50,547	35,438
Depreciation of right-of-use assets	647,251	342,106	-	-
Depreciation of investment properties	314,566	223,933	-	-
Gain on disposal of property, plant and equipment	(52,114)	(16,800)	-	-
Gain on disposal of investment properties	(5,309,192)	-	-	-
Loss/(Gain) on foreign exchange - unrealised	1,686	(165,458)	-	-
Gain on disposal of a subsidiary	(6,380)	-	-	-
Gain on derecognition of lease liabilities	(428)	-	-	-
Net change in impairment losses on trade receivables and contract assets	(1,201,387)	(1,572)	-	-
Impairment loss on goodwill	16,098,729	-	-	-
Impairment loss on investment in subsidiary	-	-	14,700,555	-
Interest expense	77,568	-	-	-
Interest expense on lease liabilities	687,510	451,098	-	-
Interest expense on hire purchase payables	338,580	96,599	-	-
Interest expense on term loans	209,966	114,939	-	-
Interest income	(1,485,498)	(365,303)	(1,536,187)	(500,345)
Operating profit/(loss) before working capital changes	5,141,976	11,925,616	(3,468,943)	632,230
Changes in:-				
Inventories	830,229	(3,856,648)	-	-
Contract costs	-	379,280	-	-
Receivables and contract assets	(34,978,787)	(6,400,988)	(61,915)	(1,875)
Trade and other payables	16,002,617	(515,806)	308,363	(295,293)
CASH (USED IN)/FROM OPERATIONS	(13,003,965)	1,531,454	(3,222,495)	335,062
Interest received	1,485,498	365,303	1,172,403	305,244
Tax paid	(3,947,728)	(2,120,692)	(113,057)	(68,654)
Tax refunded	7,763	-	7,763	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(15,458,432)	(223,935)	(2,155,386)	571,652

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

	Note	The Group		The Company	
		01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additional investments in an existing subsidiary		-	-	-	(127,500)
Acquisition of subsidiary, net of cash acquired	29(c)	-	(5,269,346)	-	(5,360,000)
Investment in a subsidiary		-	-	-	(51)
Proceeds from disposal of a subsidiary, net of cash and cash equivalents disposed of	29	(32,964)	-	51	-
Net advances to a subsidiary		-	-	(1,294,107)	(400,000)
Purchase of property, plant and equipment	30(a)	(3,505,056)	(3,412,483)	-	-
Proceeds from disposal of property, plant and equipment		476,940	16,800	-	-
Proceeds from disposal of investment properties		10,500,000	-	-	-
NET CASH FROM/ (USED IN) INVESTING ACTIVITIES		7,438,920	(8,665,029)	(1,294,056)	(5,887,551)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		7,650,447	-	-	-
Proceeds from issuance of shares	18	-	19,557,692	-	19,557,692
Proceeds from issuance of shares by subsidiaries to non-controlling interests		-	122,549	-	-
Repayment of lease liabilities	30(b)	(1,104,440)	(401,216)	-	-
Repayment of term loans	30(b)	(7,649,585)	(579,473)	-	-
Repayment of hire purchase payables	30(b)	(1,839,201)	(580,319)	-	-
Interest paid	30(b)	(1,236,056)	(662,636)	-	-
Share issuance expenses		(134,500)	(623,300)	(134,500)	(623,300)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(4,313,335)	16,833,297	(134,500)	18,934,392
NET CHANGE IN CASH AND CASH EQUIVALENTS		(12,332,847)	7,944,333	(3,583,942)	13,618,493
EFFECTS OF FOREIGN EXCHANGE		(1,686)	169,125	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		42,529,526	34,416,068	24,669,045	11,050,552
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	30(d)	30,194,993	42,529,526	21,085,103	24,669,045

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

1. General Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Level 5, Tower 8,
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur

Principal place of business : Lot PT 13824, Jalan Teknologi 4
Technology Park Malaysia
Bukit Jalil, 57000
Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 24 April 2024.

2. Principal Activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. Basis Of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company and entities in the Group.

The preparation of financial statements in conformity with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities. Actual results could differ from reported amounts. The areas involving significant judgement and estimation uncertainty to the financial statements are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

3. Basis Of Preparation *(cont'd)*

3.1 MFRS, amendments to MFRS and IC Interpretations that are effective and have been adopted in the current financial year

The following are MFRS, amendments to MFRS and IC Interpretations that are effective and have been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, 'Business Combination' – Reference to the Conceptual Framework
- Amendment to MFRS 16, 'Lease' – COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116, 'Property, Plant and Equipment' – Proceeds before Intended Use
- Amendments to MFRS 137, 'Provisions, Contingent Liabilities and Contingent Assets' – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020:
 - Amendments to MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' – Subsidiary as a First-Time Adopter
 - Amendments to MFRS 9, 'Financial Instruments' – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
 - Amendments to MFRS 141, 'Agriculture' – Taxation in Fair Value Measurements

(ii) Effective immediately on 23 May 2023

- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraphs 4A and 88A)

The adoption of the above MFRS, amendments to MFRS and IC Interpretations did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

3.2 MFRS, amendments to MFRS and IC Interpretations that have been issued, but yet to be adopted

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendment to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

3. Basis Of Preparation (cont'd)

3.2 MFRS, amendments to MFRS and IC Interpretations that have been issued, but yet to be adopted (cont'd)

(ii) Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' – Supplier Finance Arrangements'

(iii) Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

(iv) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned MFRS, amendments to MFRS and IC Interpretations, where applicable to the Group and the Company, from the beginning of the annual period where they become effective.

The initial application of the above MFRS, amendments to MFRS and IC Interpretations are not expected to have any material financial impact to the financial statements of the Group and of the Company.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(cont'd)*

Key Sources of Estimation Uncertainty (cont'd)

(b) Impairment of Investment Properties

The Group determines whether an item of its investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. The recoverable amount is determined with the sales comparison method of recent transactions of similar properties in close proximity adjusted for location, time element, size and other relevant characteristics. Any changes in transaction prices and assumptions in the estimate made will affect the recoverable amount. The carrying amount and fair value of investment properties as at the reporting date is disclosed in Note 7 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions are disclosed in Note 10 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates by applying judgement in selecting inputs to the impairment calculation, which are based on the Group's bad debts history, financial condition and payment trend of receivables, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 14 and 15 to the financial statements respectively.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial assets at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, and existing market conditions. The carrying amounts of amount owing by a subsidiary and other receivables as at the reporting date are disclosed in Notes 9 and 17 to the financial statements respectively.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience, assessment of physical completion and verification of work performed by project owners. The carrying amount of contract assets as at the reporting date is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets/liabilities of the Group and of the Company as at the reporting date are disclosed in the statements of financial position.

(h) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the previous financial year are disclosed in Note 29 to the financial statements.

(i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(j) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(cont'd)*

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases, the Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.2 BASIS OF CONSOLIDATION *(cont'd)*

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Assets (cont'd)

Debt Instruments (cont'd)

(i) Amortised Cost (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.5 FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	60 years
Telecommunication equipment	5 to 15 years
Computers	5 years
Furniture, fittings and equipment	5 years
Motor vehicles	5 years
Renovation	5 years
Signboard	5 years
Tools and equipment	5 years

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or are right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 50 years to 54 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 INTANGIBLE ASSETS - CONSTRUCTION CONTRACTS

The intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortised to profit or loss using the estimated period for completion of each construction contract.

4.10 LEASES

The Group assesses whether a contract is, or contains, a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with tenure of 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.10 LEASES *(cont'd)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount had been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less, less bank overdrafts.

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate). Where any debtor fails to make payment for invoices after more than 365 days past due, the Group performs individual impairment assessment to estimate the expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.14 IMPAIRMENT *(cont'd)*

(a) Impairment of Financial Assets *(cont'd)*

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Short-term employee benefit obligations in respect of wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plan

As required by law, the Group's contributions to defined contribution plan are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.16 INCOME TAXES

(a) Current Tax

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.17 CONTINGENCIES

A contingent liability or asset is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liability can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.19 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.20 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

4. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS *(cont'd)*

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

(b) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the value of construction services rendered exceed the payment received, a contract asset is recognised. If the payments received exceed the value of construction services rendered, a contract liability is recognised.

4.23 OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.12.2023	30.6.2022
	RM	RM
Unquoted shares, at cost	67,921,793	67,921,793
Impairment loss (Note 26)	(14,700,555)	-
Disposal	(51)	-
	53,221,187	67,921,793

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		31.12.2023	30.6.2022	
		%	%	
<i>Subsidiaries of the Company</i>				
Binasat Sdn. Bhd. ("BSB")	Malaysia	100	100	Provision of support services for satellite, mobile and fibre optic telecommunications networks.
Binasat (Sabah) Sdn. Bhd. ("BSSB")	Malaysia	100	100	Dormant.
Satellite NOC Sdn. Bhd. ("SNSB")	Malaysia	70	70	Provision of support services for satellite telecommunications network.
Borderless Connection Sdn. Bhd. ("BCSB") #	Malaysia	51	51	Provision of transmission and distribution network utility construction services, as well as engineering, procurement, construction and commissioning (EPCC) of solar facilities.
Bina Jeth Sdn. Bhd. ("BJSB") ^	Malaysia	-	51	Dormant.

- During 2023, BCSB changed its financial year end to coincide with the Group. For the purpose of consolidation, audited management accounts of BCSB for the period from 1 July 2022 to 28 February 2023 and its audited financial statements for the period from 1 March 2023 to 31 December 2023 have been used.

^ - Consolidation is based on management accounts of BJSB at the date of disposal prior to financial period end.

In the previous financial year

- (a) On 12 October 2021, the Company acquired 51% of equity interests in BCSB. The details of the acquisition are disclosed in Note 29 to the financial statements.

The subsidiary had been consolidated from the date of acquisition using information from the audited financial statements of the subsidiary for the year ended 28 February 2022 and unaudited management accounts for the period from 1 March 2022 to 30 June 2022.

- (b) On 8 February 2022, the Company subscribed 51 new ordinary shares in BJSB for a cash consideration of RM51. The Company had disposed the 51% equity interests in BJSB on 9 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

5.1 Non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
	%	%	RM	RM
Satellite NOC Sdn. Bhd.	30	30	612,367	369,555
Borderless Connection Sdn. Bhd.	49	49	5,422,737	4,632,845
Bina Jeth Sdn. Bhd.	-	49	-	49
			6,035,104	5,002,449

- (a) The summarised financial information (before intra-group elimination) for subsidiaries with non-controlling interests that are material to the Group is as follows:-

	SNSB	
	31.12.2023	30.6.2022
	RM	RM
<u>At 31 December</u>		
Non-current assets	9,514,215	11,005,231
Current assets	9,491,907	4,055,933
Non-current liabilities	(13,689,519)	(12,484,089)
Current liabilities	(3,485,878)	(1,345,224)
Net assets	1,830,725	1,231,851
<u>Financial Period/Year Ended 31 December 2023/30 June 2022</u>		
Revenue	14,328,396	6,623,173
Profit after taxation	598,874	206,737
Total comprehensive income	598,874	206,737
Total comprehensive income attributable to non-controlling interests	242,813	62,021
Net cash flows from operating activities	1,122,098	1,619,049
Net cash flows from/(used in) investing activities	328,541	(964,641)
Net cash flows used in financing activities	(1,878,476)	(772,792)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

5. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

5.1 Non-controlling interests at the end of the reporting period comprise the following:- *(cont'd)*

- (a) The summarised financial information (before intra-group elimination) for subsidiaries with non-controlling interests that are material to the Group is as follows:- *(cont'd)*

	BCSB	
	31.12.2023	30.6.2022
	RM	RM
<u>At 31 December</u>		
Non-current assets	3,112,863	93,505
Current assets	26,414,244	15,444,429
Non-current liabilities	(656,342)	-
Current liabilities	(17,415,722)	(6,394,039)
Net assets	11,455,043	9,143,895
<u>Financial Period/Year Ended 31 December 2023/30 June 2022</u>		
Revenue	40,213,372	27,070,195
Profit after taxation	2,311,148	2,932,241
Total comprehensive income	2,311,148	2,932,241
Total comprehensive income attributable to non-controlling interests	942,228	553,438
Net cash flows used in operating activities	(6,796,760)	(290,991)
Net cash flows used in investing activities	(65,206)	-
Net cash flows from financing activities	6,251,930	250,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2022 RM	Additions RM	Disposal RM	Reclassification RM	Depreciation Charges RM	At 31.12.2023 RM
31.12.2023						
Carrying Amount						
Building	13,433,015	257,500	-	-	(352,956)	13,337,559
Computers	339,915	146,108	-	-	(152,690)	333,333
Furniture, fittings and equipment	542,937	138,098	-	-	(287,469)	393,566
Motor vehicles	1,364,048	1,903,159	(53,877)	-	(1,093,706)	2,119,624
Telecommunication equipment	9,527,123	912,680	(201,817)	1,504,645	(1,527,163)	10,215,468
Renovation	21,726	41,559	(510)	821,630	(128,362)	756,043
Signboard	59,440	-	-	-	(29,719)	29,721
Tools and equipment	2,130,976	2,106,059	-	-	(1,313,377)	2,923,658
Construction work-in-progress	2,352,405	1,271,893	(168,622)	(2,326,275)	-	1,129,401
	29,771,585	6,777,056	(424,826)	-	(4,885,442)	31,238,373

The Group	At 1.7.2021 RM	Additions RM	Reclassification RM	Acquisition of a Subsidiary (Note 29(b)) RM	Depreciation Charges RM	At 30.6.2022 RM
30.6.2022						
Carrying Amount						
Buildings	13,611,986	47,962	-	-	(226,933)	13,433,015
Computers	122,806	282,396	-	-	(65,287)	339,915
Furniture, fittings and equipment	665,251	3,875	-	65,996	(192,185)	542,937
Motor vehicles	1,029,091	909,344	-	-	(574,387)	1,364,048
Telecommunication equipment	7,830,336	335,024	2,010,147	-	(648,384)	9,527,123
Renovation	20,386	12,100	5,625	-	(16,385)	21,726
Signboard	80,992	-	-	-	(21,552)	59,440
Tools and equipment	1,121,798	1,536,830	-	-	(527,652)	2,130,976
Construction work-in-progress	2,183,625	2,184,552	(2,015,772)	-	-	2,352,405
	26,666,271	5,312,083	-	65,996	(2,272,765)	29,771,585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

6. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2023			
Building	13,917,448	(579,889)	13,337,559
Computers	653,916	(320,583)	333,333
Furniture, fittings and equipment	1,596,386	(1,202,820)	393,566
Motor vehicles	6,003,884	(3,884,260)	2,119,624
Telecommunication equipment	12,713,607	(2,498,139)	10,215,468
Renovation	1,928,265	(1,172,222)	756,043
Signboard	122,115	(92,394)	29,721
Tools and equipment	6,448,724	(3,525,066)	2,923,658
Construction work-in-progress	1,129,401	-	1,129,401
	44,513,746	(13,275,373)	31,238,373

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2022			
Buildings	13,659,948	(226,933)	13,433,015
Computers	507,808	(167,893)	339,915
Furniture, fittings and equipment	1,458,287	(915,350)	542,937
Motor vehicles	4,421,898	(3,057,850)	1,364,048
Telecommunication equipment	10,551,955	(1,024,832)	9,527,123
Renovation	1,065,586	(1,043,860)	21,726
Signboard	122,115	(62,675)	59,440
Tools and equipment	4,342,665	(2,211,689)	2,130,976
Construction work-in-progress	2,352,405	-	2,352,405
	38,482,667	(8,711,082)	29,771,585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	At 1.7.2022 RM	Depreciation Charges RM	At 31.12.2023 RM
31.12.2023			
Carrying Amount			
Computers	112	(75)	37
Furniture, fittings and equipment	7,250	(3,953)	3,297
Signboard	59,440	(29,719)	29,721
Tools and equipment	24,267	(16,800)	7,467
	91,069	(50,547)	40,522

The Company	At 1.7.2021 RM	Depreciation Charges RM	At 30.6.2022 RM
30.6.2022			
Carrying Amount			
Computers	162	(50)	112
Furniture, fittings and equipment	9,886	(2,636)	7,250
Signboard	80,992	(21,552)	59,440
Tools and equipment	35,467	(11,200)	24,267
	126,507	(35,438)	91,069

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2023			
Computers	250	(213)	37
Furniture, fittings and equipment	13,177	(9,880)	3,297
Signboard	110,665	(80,944)	29,721
Tools and equipment	56,000	(48,533)	7,467
	180,092	(139,570)	40,522

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
30.6.2022			
Computers	250	(138)	112
Furniture, fittings and equipment	13,177	(5,927)	7,250
Signboard	110,665	(51,225)	59,440
Tools and equipment	56,000	(31,733)	24,267
	180,092	(89,023)	91,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) The buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles and tools and equipment with a total carrying amount of RM3,277,624 (2022 - RM2,463,511) held under hire purchase arrangements. These assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 21 to the financial statements.

7. INVESTMENT PROPERTIES

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Cost:-		
At 1 July 2022/2021	11,409,376	11,409,376
Disposal during the financial period/year	(6,612,733)	-
At 31 December 2023/30 June 2022	4,796,643	11,409,376
Accumulated depreciation:-		
At 1 July 2022/2021	(1,992,315)	(1,768,382)
Depreciation during the financial period/year	(314,566)	(223,933)
Disposal during the financial period/year	1,421,925	-
At 31 December 2023/30 June 2022	(884,956)	(1,992,315)
	3,911,687	9,417,061
Represented by:		
- freehold land and buildings	3,911,687	4,055,586
- buildings	-	5,361,475
At 31 December 2023/30 June 2022	3,911,687	9,417,061
Fair value:-		
- freehold land and buildings	6,297,061	4,381,000
- buildings	-	8,600,000
	6,297,061	12,981,000

- (a) The investment properties of the Group are leased to customers under operating leases with rental receivable monthly. The leases contain initial non-cancellable periods of 1 (2022 - 1 to 3) year and an option that is exercisable by the customers to extend their leases for an average period of 1 (2022 - 2) year.

As at the reporting date, the future minimum rental receivable under the non-cancellable operating leases are as follows:-

	The Group	
	31.12.2023	30.06.2022
	RM	RM
Within 1 year	9,900	380,500
Between 1 and 2 years	-	385,000
	9,900	765,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

7. INVESTMENT PROPERTIES (cont'd)

- (b) The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.
- (c) The fair values of the investment properties are within level 3 of the fair value hierarchy, determined based on sales comparison method availing information of past transactions on similar properties within close proximity available through internet search and directors' best estimate. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There were no changes to the valuation techniques of Level 3 fair value measurements in the financial period.
- (d) The following are recognised in profit or loss in respect of investment properties:

	The Group	
	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022
	RM	RM
Rental income	297,700	426,300
Direct operating expenses:		
- income generating investment properties	35,067	28,264
- non-income generating investment properties	12,915	-

8. RIGHT-OF-USE ASSETS

The Group	At 1.7.2022	Addition	disposal	Depreciation Charges (Note 26)	At 31.12.2023
	RM			RM	RM
31.12.2023					
Carrying Amount					
Leasehold land	12,491,422	-	-	(334,594)	12,156,828
Warehouses	77,295	345,103	-	(146,256)	276,142
Hostel	26,737	-	-	(20,925)	5,812
Land	100,132	259,754	(14,493)	(145,476)	199,917
	12,695,586	604,857	(14,493)	(647,251)	12,638,699

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

8. RIGHT-OF-USE ASSETS (cont'd)

The Group	At 1.7.2021 RM	Addition RM	Depreciation Charges (Note 26) RM	At 30.6.2022 RM
30.06.2022				
Carrying Amount				
Leasehold land	12,714,565	-	(223,143)	12,491,422
Warehouses	9,662	125,605	(57,972)	77,295
Hostel	9,590	27,900	(10,753)	26,737
Land	-	150,370	(50,238)	100,132
	12,733,817	303,875	(342,106)	12,695,586

The leasing activities of the Group and of the Company are summarised below:-

- (a) Leasehold Land The Group and the Company have entered into 2 non-cancellable operating lease agreements for the use of lands. The leases are for a period of 60 years with no renewal or purchase option included in the agreements. The leases do not allow the Group and the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the lands. A tenancy is, however, allowed with the consent of the lessor.
- (b) Warehouses The Group has leased 2 (2022: 2) warehouses for a period of 2 to 5 (2022: 2) years with an option to renew the lease after that date.
- (c) Hostel The Group has leased a hostel for a period of 2 (2022: Nil) years with an option to renew the lease after that date.
- (d) Land The Group has leased 6 (2022: 2) plots of land for a period of 3 to 4 (2022: 4) years with an option to renew the lease after that date.

9. AMOUNT OWING BY A SUBSIDIARY

	The Company	
	2023 RM	2022 RM
Amount owing by a subsidiary		
<u>Non-current</u>		
Non-trade balances	-	5,496,745
<u>Current</u>		
Non-trade balances	8,254,636	-
Dividend receivable	-	1,100,000
	8,254,636	1,100,000

The non-trade balances represent unsecured advances which bear an interest of 4.39% (2022 - 3.68%) per annum and payment on behalf for the subsidiary. The amount owing is repayable on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

10. GOODWILL

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Cost:-		
At 1 July 2022/2021	16,098,729	-
Acquisition of a subsidiary (Note 29(d))	-	16,098,729
At 31 December 2023/30 June 2022	16,098,729	16,098,729
Accumulated impairment:-		
At 1 July 2022/2021	-	-
Impairment during the financial period/year (Note 26)	(16,098,729)	-
At 31 December 2023/30 June 2022	(16,098,729)	-
	-	16,098,729

- (a) The carrying amount of goodwill is allocated to BCSB.
- (b) This goodwill belongs to the Group's 'Segment 2' reportable segment.
- (c) During the financial period, the Company recorded an impairment of RM16,098,729 in the statement of comprehensive income as a result of the shortfall arising from the lower recoverable amount of investment in BCSB as compared to the carrying amount as at 31 December 2023. The recoverable amount was determined based on the value in use calculations applying cash flows forecast from financial budgets approved by management covering a three-year period.
- (d) The key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margin	Growth Rate	Discount Rate
	2023	2023	2023
	%	%	%
BCSB	4%	-	12%

- (i) Gross margin Average gross margin achieved in current financial period and prior financial year.
- (ii) Discount rate (pre-tax) The rate reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on both external sources and internal historical data.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

11. INTANGIBLE ASSETS

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Cost:-		
At 1 July 2022/2021	2,781,139	-
Acquisition of a subsidiary (Note 29(b))	-	2,781,139
At 31 December 2023/30 June 2022	2,781,139	2,781,139
Accumulated amortisation:-		
At 1 July 2022/2021	(2,372,073)	-
Amortisation during the period/year (Note 26)	(409,066)	(2,372,073)
At 31 December 2023/30 June 2022	(2,781,139)	(2,372,073)
	-	409,066

The intangible assets are in respect of on-going construction contracts at the point of acquisition. This has been included under the Group's 'Segment 2' reportable segment. Their amortisation charges are recognised in profit or loss under the "Other Operating Expenses" line item.

12. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	At	Recognised in	At
	1.07.2022	Profit or Loss (Note 27)	31.12.2023
	RM	RM	RM
31.12.2023			
<u>Deferred Tax Assets</u>			
Accelerated capital allowance	45,108	(97,229)	(52,121)
Trade receivables	-	49,088	49,088
Unused tax losses	-	196,851	196,851
Unabsorbed capital allowance	-	27,741	27,741
	45,108	176,451	221,559

The Group	At	Recognised in	At
	1.07.2021	Profit or Loss (Note 27)	30.06.2022
	RM	RM	RM
30.06.2022			
<u>Deferred Tax Assets</u>			
Accelerated capital allowance	-	45,108	45,108

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The Group	At 1.07.2022	Recognised in Profit or Loss (Note 27)	Acquisition of a Subsidiary (Note 29)	At 31.12.2023
	RM	RM	RM	RM
31.12.2023				
<u>Deferred Tax Liabilities</u>				
Accelerated capital allowance	(1,845,276)	693,528	-	(1,151,748)
Trade receivables	746,000	(658,435)	-	87,565
	(1,099,276)	35,093	-	(1,064,183)

The Group	At 1.7.2021	Recognised in Profit or Loss (Note 27)	Acquisition of a Subsidiary (Note 29)	At 30.6.2022
	RM	RM	RM	RM
30.06.2022				
<u>Deferred Tax Liabilities</u>				
Accelerated capital allowance	(394,100)	(783,703)	(667,473)	(1,845,276)
Trade receivables	-	746,000	-	746,000
Unused tax losses	107,000	(107,000)	-	-
	(287,100)	(144,703)	(667,473)	(1,099,276)

13. INVENTORIES

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Spare parts	3,026,419	3,856,648
Inventories recognised in cost of sales during the financial period/year	13,543,595	5,939,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

14. TRADE RECEIVABLES AND CONTRACT ASSETS

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Non-current		
Retention sum	1,969,387	710,120
Current		
Trade receivables	30,503,513	30,218,503
Allowance for impairment losses	(569,386)	(2,581,964)
	29,934,127	27,636,539
Contract assets (Note 15)	42,010,063	16,722,324
	71,944,190	44,358,863
	73,913,577	45,068,983
Allowance for impairment losses:-		
At 1 July 2022/2021	2,581,964	2,687,822
Acquisition of a subsidiary	-	151,173
Addition during the financial period/year (Note 25)	569,386	1,135,475
Reversal during the financial period/year (Note 25)	(1,746,507)	(1,014,239)
Written off during the financial period/year	(835,457)	(378,267)
At 31 December 2023/30 June 2022	569,386	2,581,964

The Group's normal trade credit terms range from 30 to 90 (2022 - 30 to 90) days from customers' acceptance of sales invoices.

15. CONTRACT ASSETS

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Contract assets	42,010,063	16,746,590
Allowance for impairment losses	-	(24,266)
	42,010,063	16,722,324
Allowance for impairment losses:-		
At 1 July 2022/2021	24,266	147,074
Addition during the financial period/year (Note 25)	-	15,832
Reversal during the financial period/year (Note 25)	(24,266)	(138,640)
At 31 December 2023/30 June 2022	-	24,266

(a) The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

15. CONTRACT ASSETS (cont'd)

(b) The changes to contract asset balances during the financial period/year are summarised below:-

	The Group	
	31.12.2023	30.6.2022
	RM	RM
At 1 July 2022/2021	16,722,324	10,516,059
Revenue recognised in profit or loss during the financial period/year	132,207,974	41,563,238
Billings to customers during the financial period/year	(106,944,501)	(36,719,049)
Acquisition of a subsidiary	-	1,239,268
Impairment loss on contract assets	-	(15,832)
Reversal of impairment loss on contract assets	24,266	138,640
At 31 December 2023/30 June 2022	42,010,063	16,722,324

(c) The Group applies the practical expedient in paragraph 121 of MFRS 15 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
	RM	RM	RM	RM
Other receivables:-				
Third parties	284,458	350,932	77,690	-
Goods and services tax recoverable	1,340	1,340	-	-
	285,798	352,272	77,690	-
Prepayments	590,350	196,311	5,100	20,875
Deposits	7,453,273	511,482	9,500	9,500
	8,329,421	1,060,065	92,290	30,375

17. SHORT-TERM INVESTMENTS

	The Group		The Company	
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
	RM	RM	RM	RM
Income plus funds, at fair value (Note 30(d))	1,454,682	2,330,380	-	-
Money market funds, at fair value (Note 30(d))	21,490,678	24,541,783	21,005,528	24,079,243
	22,945,360	26,872,163	21,005,528	24,079,243

The income plus funds and money market funds represented investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which were redeemable within one to two (1 to 2) days of notice at known amounts of cash, and were subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

18. SHARE CAPITAL

	The Company			
	31.12.2023	30.06.2022	31.12.2023	30.6.2022
	Number Of Shares	Number Of Shares	RM	RM
Issued and Fully Paid-up				
Ordinary shares				
At 1 July 2022/2021	388,295,506	286,436,750	97,181,083	63,389,549
Issuance of new shares	-	101,858,756	-	33,791,534
Issuance of warrants	-	-	-	-
Share issuance expenses	-	-	(134,500)	-
At 31 December 2023/30 June 2022	388,295,506	388,295,506	97,046,583	97,181,083

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial period, the Company incurred RM10,000 in relation to the proposed increase in issued and paid-up share capital by way of private placement, as disclosed in Note 38, and RM124,500 in relation to the issuance of warrants, as disclosed in Note 37.
- (c) In the previous financial year, the Company increased its issued and paid-up share capital from RM63,389,549 to RM97,181,083 by way of:-
- i) issuance of 37,142,856 new ordinary shares at issue price of RM0.35 each for the acquisition of a subsidiary. For financial reporting purpose, the transaction was recorded at the market value of the shares on the issuance date of RM0.40 per share;
 - ii) issuance of 21,375,000 new ordinary shares at an issue price of RM0.345 each for cash consideration under private placement of new ordinary shares;
 - iii) issuance of 21,271,700 new ordinary shares at an issue price of RM0.303 each for cash consideration under private placement of new ordinary shares; and
 - iv) issuance of 22,069,200 new ordinary shares at an issue price of RM0.260 each for cash consideration under private placement of new ordinary shares.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

19. MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investments in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

20. LEASE LIABILITIES

	The Group	
	31.12.2023	30.6.2022
	RM	RM
At 1 July 2022/2021	12,696,753	12,794,094
Additions of lease liabilities (Note 30(b))	604,857	303,875
Interest expense recognised in profit or loss (Note 26)	687,510	451,098
Derecognition of lease liabilities	(14,921)	-
Repayment of principal	(1,104,440)	(401,216)
Repayment of interest	(687,510)	(451,098)
At 31 December 2023/30 June 2022	12,182,249	12,696,753
Analysed by:-		
Current liabilities	496,991	415,647
Non-current liabilities	11,685,258	12,281,106
	12,182,249	12,696,753

21. BORROWINGS

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Non-current		
Term loans (secured)	2,948,127	4,862,216
Hire purchase payables (secured)	2,964,539	1,577,390
	5,912,666	6,439,606
Current		
Term loans (secured)	189,575	615,651
Hire purchase payables (secured)	990,814	945,164
Trade bills (secured)	2,341,027	-
	3,521,416	1,560,815

- (a) The term loans are repayable over 251 to 285 (2022 - 240 to 300) monthly instalments from the date of drawdown for the Group.
- (b) The term loans are secured by the following:-
- (i) Legal charges over the Group's freehold land and buildings as disclosed in Note 6(a); and
 - (ii) Joint guarantee by certain directors of entities in the Group.
- (c) Hire purchase payables are secured by the motor vehicles and tools and equipment of the Group as disclosed in Note 6(b).
- (d) Trade bills are jointly and severally guaranteed by certain directors of entities in the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

21. BORROWINGS (cont'd)

(e) The interest rate profile of the borrowings of the Group are summarised below;

	Interest Rate	Effective Interest Rate	
		The Group	
		31.12.2023	30.6.2022
Term loans	Floating	4.52%	3.30%
Hire purchase payables	Fixed	2.17% - 5.30%	6.08%
Trade bills	Floating	3.71% - 5.46%	-

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2022 - 30 to 90 days).

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
	RM	RM	RM	RM
Other payables:-				
Third parties	4,624,018	754,981	395,865	435,520
Services tax payable	169,783	183,569	-	-
	4,793,801	938,550	395,865	435,520
Accruals	7,745,330	2,433,219	443,018	95,000
Deposits received	46,555	125,555	-	-
	12,585,686	3,497,324	838,883	530,520

24. REVENUE

	The Group		The Company	
	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022
	RM	RM	RM	RM
<u>Revenue from Contracts with Customers</u>				
Services rendered	91,994,602	56,437,397	-	-
Construction contract	40,213,372	27,070,195	-	-
	132,207,974	83,507,592	-	-
<u>Revenue from Other Sources</u>				
Dividend income	-	-	-	1,100,000

(a) The revenue from contracts with customers is recognised over time.

(b) Dividend income of the Company is recognised at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

25. NET CHANGE IN IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM
Impairment losses:		
- trade receivables (Note 14)	569,386	1,135,475
- contract assets (Note 15)	-	15,832
Reversal of impairment losses:		
- trade receivables (Note 14)	(1,746,507)	(1,014,239)
- contract assets (Note 15)	(24,266)	(138,640)
	(1,201,387)	(1,572)

26. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	289,500	108,000	72,500	30,000
- non-audit fees	5,000	51,000	5,000	49,000
Amortisation of intangible assets	409,066	2,372,073	-	-
Depreciation:				
- property, plant and equipment	4,885,442	2,272,765	50,547	35,438
- investment properties	314,566	223,933	-	-
- right-of-use assets	647,251	342,106	-	-
Directors' remuneration (Note 31 (a))	3,468,773	1,864,484	2,652,510	174,000
Impairment of goodwill	16,098,729	-	-	-
Impairment of investment in a subsidiary (Note 5)	-	-	14,700,555	-
Interest expense on lease liabilities (Note 20)	687,510	451,098	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

26. (LOSS)/PROFIT BEFORE TAXATION (cont'd)

	The Group		The Company	
	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM
(Loss)/Profit before taxation is arrived at after charging/(crediting):- (cont'd)				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loans	209,966	114,939	-	-
- hire purchase payables	338,580	96,599	-	-
- related party	77,568	-	-	-
Lease expenses:				
- short-term leases	5,967,684	1,931,995	-	-
Staff costs (including other key management personnel as disclosed in Note 31(b)):				
- short-term employee benefits	27,938,501	16,704,443	-	-
- defined contribution plan	2,422,814	1,644,614	-	-
- others	269,867	820,465	-	-
Gain on disposal of investment properties	(5,309,192)	-	-	-
Gain on disposal of property, plant and equipment	(52,114)	(16,800)	-	-
Gain on derecognised lease liabilities	(428)	-	-	-
Interest income on financial assets measured at fair value through profit or loss:				
- short-term investments	(1,441,826)	(359,111)	(1,172,403)	(302,010)
Interest income on financial assets measured at amortised cost:				
- inter-company interest income	-	-	(363,784)	(195,101)
- others	(43,672)	(6,192)	-	(3,234)
Lease income:				
- rental income from investment properties	(297,700)	(422,300)	-	-
- property, plant and equipment	(385)	-	-	-
(Gain)/loss on foreign exchange:				
- realised	(5,588)	(29,284)	-	-
- unrealised	1,686	(165,458)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

27. TAX EXPENSE

	The Group		The Company	
	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022
	RM	RM	RM	RM
Current tax expense	2,130,579	1,722,073	23,244	44,000
(Over)/Under provision in the previous financial year	(223,105)	(640,200)	(11,763)	32,871
Real property gain tax	315,000	-	-	-
	2,222,474	1,081,873	11,481	76,871
Deferred tax (Note 12):				
- origination and reversal of temporary differences	(20,793)	(111,805)	-	-
- (over)/under provision in the previous financial year	(190,751)	211,400	-	-
	(211,544)	99,595	-	-
Total income tax expense	2,010,930	1,181,468	11,481	76,871

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022	01.07.2022 to 31.12.2023	01.07.2021 to 30.06.2022
	RM	RM	RM	RM
(Loss)/Profit before taxation	(10,473,389)	6,601,236	(16,683,858)	1,097,137
Tax at the statutory tax rate of 24%	(2,513,613)	1,584,297	(4,004,126)	263,313
Tax effects of:-				
Non-deductible expenses	6,852,618	127,408	4,308,747	121,320
Non-taxable income	(2,229,219)	(101,437)	(281,377)	(340,633)
(Over)/Under provision of current tax expense in the previous financial year	(223,105)	(640,200)	(11,763)	32,871
(Over)/Under provision of deferred tax expense in the previous financial year	(190,751)	211,400	-	-
Real property gain tax	315,000	-	-	-
	2,010,930	1,181,468	11,481	76,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

27. TAX EXPENSE (cont'd)

The amount of temporary difference for which no deferred tax has been recognised in the statement of financial position is as follows:

	The Group	
	31.12.2023	30.06.2022
	RM	RM
Unabsorbed capital allowances	115,586	-
Unused tax losses	820,212	-

Unabsorbed capital allowances do not expire under the current tax legislations.

The availability of unused tax losses for offsetting against future taxable profits of the Company is subject to the requirements under the Income Tax Act 1967 and guidelines issued by the Inland Revenue Board.

Under the current tax legislation in Malaysia, unused losses from year of assessment (“YA”) 2019 onwards can only be carried forward for a maximum period of 10 consecutive YAs. Unused losses for YA 2019 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2030. Unused losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

Unused tax losses can be carried forward until the following YA:

	The Group	
	31.12.2023	30.06.2022
	RM	RM
YA 2034	820,212	-

28. (LOSS)/EARNINGS PER SHARE

	The Group	
	31.12.2023	30.6.2022
(Loss)/Profit attributable to owners of the Company (RM)	(13,510,894)	4,804,309
Weighted average number of ordinary shares in issue	388,295,506	350,828,548
Basic (loss)/earnings per share (Sen)	(3.48)	1.37

The diluted loss per share for the financial period ended 31 December 2023 is the same as the basic loss per share as potential ordinary shares of the Company do not have dilutive effect.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

29. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the financial period

On 15 May 2023, the Company disposed of its entire equity interest in a former subsidiary, Bina Jeth Sdn. Bhd. for a consideration of RM51.

The gain on disposal of Bina Jeth Sdn. Bhd. that has been presented separately in the statements of profit or loss and other comprehensive income of the Group and of the Company are as follows:

	The Group RM	The Company RM
Sales consideration:		
Cash consideration received	51	51
Carrying amount of shares disposed of	-	(51)
Assets and liabilities derecognised:		
Trade receivables	66,223	-
Cash and bank balances	33,015	-
Other payables	(69,429)	-
Amount due to related company	(42,218)	-
	(12,409)	-
Non-controlling interest derecognised (49%)	6,080	-
Company's share of net liabilities derecognised	(6,329)	-
Gain on disposal recognised in profit or loss (Note 26)	6,380	-

Effect of disposal on cash flow of the Group is as follows:

	The Group RM
Cash consideration received	51
Less: Cash and bank balances of subsidiary disposed	(33,015)
Net cash outflow on disposal	(32,964)

In the previous financial year

On 12 October 2021, the Company acquired 51% equity interests in Borderless Connection Sdn Bhd ("BCSB"). The acquisition of this subsidiary is to enable the Group to expand its business into provision of utilities infrastructure services including transmission and distribution network utility services as well as engineering, procurement, construction and commissioning of solar photovoltaic (PV) facilities.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

29. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (cont'd)

In the previous financial year (cont'd)

(a) Fair Value of Purchase Consideration

	The Group and The Company 30.6.2022 RM
Cash	5,360,000
Issuance of ordinary shares at RM0.40 per share	14,857,142
Total purchases consideration	20,217,142

(b) Identifiable Assets Acquired and Liabilities Assumed

	The Group 30.6.2022 RM
Property, plant and equipment	65,996
Intangible asset	2,781,139
Trade receivables and contract assets	11,696,886
Other receivables	17,200
Cash and bank balances	90,654
Trade payables	(4,561,959)
Other payables and accruals	(50,328)
Current tax liabilities	(1,296,795)
Deferred tax liabilities	(667,473)
Fair value of net identifiable assets acquired	8,075,320

(c) Cash Flows Arising from Acquisition

	The Group 30.6.2022 RM
Purchase consideration settled in cash and cash equivalents (item (a) above)	5,360,000
Less: Cash and cash equivalents of subsidiary acquired (item (b) above)	(90,654)
Net cash outflow for the acquisition of a subsidiary	5,269,346

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

29. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (cont'd)

In the previous financial year (cont'd)

(d) Goodwill Arising from Acquisition

	The Group 30.6.2022 RM
Total consideration transferred	20,217,142
Non-controlling interests	3,956,907
Less: Fair value of identifiable net assets acquired (item (b) above)	(8,075,320)
Goodwill from the acquisition of subsidiary (Note 10)	16,098,729

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(e) Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following results to the Group:-

	The Group 30.6.2022 RM
Revenue	27,070,195
Profit after taxation	2,932,241

There were no acquisitions of subsidiaries in the current financial period.

30. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:-

	The Group		The Company	
	31.12.2023 RM	30.6.2022 RM	31.12.2023 RM	30.6.2022 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 6)	6,777,056	5,312,083	-	-
Less: Acquired through hire purchase arrangements	(3,272,000)	(1,899,600)	-	-
	3,505,056	3,412,483	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

30. CASH FLOW INFORMATION (cont'd)

- (a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:- (cont'd)

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	604,857	303,875
Less: Addition of lease liabilities (Note 30(b))	(604,857)	(303,875)
	-	-

- (b) The reconciliation of changes in liabilities arising from financing activities are as follows:-

The Group	Term Loans and trade bills RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
At 1 July 2022	5,477,867	2,522,554	12,696,753	20,697,174
<u>Changes in Financing Cash Flows</u>				
Drawdown of borrowings	7,650,447	-	-	7,650,447
Repayment of principal	(7,649,585)	(1,839,201)	(1,104,440)	(10,593,225)
Repayment of interests	(209,966)	(338,580)	(687,510)	(1,236,056)
	(209,104)	(2,177,781)	(1,791,950)	(4,178,834)
<u>Other Changes</u>				
Additions of hire purchase arrangements	-	3,272,000	-	3,272,000
Additions of lease liabilities	-	-	604,857	604,857
Derecognition of lease liabilities	-	-	(14,921)	(14,921)
Interest expense recognised in profit or loss (Note 26)	209,966	338,580	687,510	1,236,056
	209,966	3,610,580	1,277,446	5,097,992
At 31 December 2023	5,478,729	3,955,353	12,182,249	21,616,332

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

30. CASH FLOW INFORMATION (cont'd)

(b) The reconciliation of changes in liabilities arising from financing activities are as follows:- (cont'd)

The Group	Term Loans RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
At 1 July 2021	6,057,340	1,203,273	12,794,094	20,054,707
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(579,473)	(580,319)	(401,216)	(1,561,008)
Repayment of interests	(114,939)	(96,599)	(451,098)	(662,636)
	(694,412)	(676,918)	(852,314)	(2,223,644)
<u>Other Changes</u>				
Additions of hire purchase arrangements	-	1,899,600	-	1,899,600
Additions of lease liabilities	-	-	303,875	303,875
Interest expense recognised in profit or loss (Note 26)	114,939	96,599	451,098	662,636
	114,939	1,996,199	754,973	2,866,111
At 30 June 2022	5,477,867	2,522,554	12,696,753	20,697,174

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	31.12.2023 RM	30.6.2022 RM
Payment of short-term leases	5,967,684	1,931,995
Interest paid on lease liabilities	687,510	451,098
Payment of lease liabilities	1,104,440	401,216
	7,759,634	2,784,309

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	31.12.2023 RM	30.6.2022 RM	31.12.2023 RM	30.6.2022 RM
Cash and bank balances	9,077,062	15,657,363	79,845	589,802
Short-term investments (Note 17)	22,945,360	26,872,163	21,005,258	24,079,243
Less: Overdrafts	(1,827,429)	-	-	-
	30,194,993	42,529,526	21,085,103	24,669,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

31. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial period are as follows:-

	The Group		The Company	
	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM	01.07.2022 to 31.12.2023 RM	01.07.2021 to 30.06.2022 RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	285,000	174,000	285,000	174,000
- salaries, bonuses and other benefits	2,337,397	1,341,846	2,117,090	-
Defined contribution plan	276,820	158,400	250,420	-
	2,899,217	1,674,246	2,652,510	174,000
<u>Directors of subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	511,615	172,623	-	-
Defined contribution plan	57,941	17,614	-	-
	569,556	190,237	-	-
Total directors' remuneration (Note 26)	3,468,773	1,864,483	2,652,510	174,000
(b) Other key management personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	953,849	831,879	-	-
Defined contribution plan	113,016	91,860	-	-
Total compensation for other key management personnel	1,066,865	923,739	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

32. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following significant transactions with the related parties during the financial period/year:-

	The Company	
	31.12.2023	30.6.2022
	RM	RM
<hr/>		
<i>Subsidiary</i>		
Dividend income	-	(1,100,000)
Interest income	(363,784)	(195,101)
	<hr/>	

The significant outstanding balances of the related parties together with terms and conditions of the balances are disclosed in the respective notes to the financial statements.

33. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their services provided.

The Group is organised into 2 main reportable segments as follows:-

- Segment 1 - Satellite, mobile and fibre optic telecommunications networks.
- Segment 2 - Power and telecommunication infrastructure works.

The satellite, mobile and fibre optic telecommunications networks and power and telecommunication infrastructure works are managed as 2 different operating segments within the Group. The components in each operating segment are aggregated to form a reportable segment due to the nature and economic characteristics of the products and services which are similar and inter-related.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

33. OPERATING SEGMENTS (cont'd)

33.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

31.12.2023	Satellite, mobile and fibre optic telecommunications networks RM	Power and telecommunication infrastructure works RM	Investment holding RM	Consolidation adjustments RM	The Group RM
External revenue	91,994,602	40,213,372	-	-	132,207,974
Inter-company revenue	98,142	-	-	(98,142)	-
Total revenue	92,092,744	40,213,372	-	(98,142)	132,207,974
Results					
Segment profit/(loss)	6,161,659	3,301,781	(18,082,032)	(558,567)	(9,177,159)
Finance cost	(1,490,295)	(176,279)	-	370,344	(1,296,230)
Tax expense	(1,283,270)	(814,355)	(11,481)	98,176	(2,010,930)
Consolidated profit/(loss) after taxation	3,388,094	2,311,147	(18,093,513)	(90,047)	(12,484,319)
Other information					
Amortisation of intangible assets	-	-	-	(409,066)	(409,066)
Impairment of goodwill	-	-	(16,098,729)	-	(16,098,729)
Interest income	313,095	-	1,536,187	(363,784)	1,485,498
Interest expenses	(2,133,844)	(176,278)	-	996,498	(1,313,624)
Depreciation:					
- Property, plant and equipment	(4,513,209)	(321,686)	(50,547)	-	(4,885,442)
- Right-of-use assets	(1,950,246)	-	-	1,302,995	(647,251)
- investment property	(314,566)	-	-	-	(314,566)
Reversal of impairment losses on financial assets and contract assets	1,214,092	(12,705)	-	-	1,201,387
Assets					
Segment assets	123,824,228	27,478,119	82,693,738	(70,742,916)	163,253,169
Unallocated assets:					
- Deferred tax assets					221,559
- Current tax assets					6,752,794
					<u>170,227,522</u>
Additions to non-current assets other than financial instrument:					
- Property, plant and equipment	5,581,850	1,195,206	-	-	6,777,056
- Right-of-use assets	2,109,501	-	-	(1,504,644)	<u>604,857</u>
Liabilities					
Segment liabilities	50,357,437	16,925,921	838,883	(17,985,693)	50,136,548
Unallocated liabilities:					
- Deferred tax liabilities					1,064,183
- Current tax liabilities					-
					<u>51,200,731</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

33. OPERATING SEGMENTS (cont'd)

33.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION (cont'd)

30.6.2022	Satellite, mobile and fibre optic telecommunications networks RM	Power and telecommunication infrastructure works RM	Investment holding RM	Consolidation adjustments RM	The Group RM
External revenue	56,437,397	27,070,195	-	-	83,507,592
Inter-company revenue	-	-	1,100,000	(1,100,000)	-
Total revenue	56,437,397	27,070,195	1,100,000	(1,100,000)	83,507,592
Results					
Segment profit	5,941,783	3,754,206	1,097,137	(3,531,208)	7,261,918
Finance cost	(865,245)	-	-	204,563	(660,682)
Tax expense	(851,929)	(821,965)	(76,871)	569,297	(1,181,468)
Consolidated profit after taxation	4,224,609	2,932,241	1,020,266	(2,757,348)	5,419,768
Other information					
Amortisation of intangible assets	-	-	-	(2,372,073)	(2,372,073)
Interest income	60,059	-	500,345	(195,101)	365,303
Interest expenses	(1,248,935)	-	-	586,299	(662,636)
Depreciation:					
- Property, plant and equipment	(2,219,728)	(17,599)	(35,438)	-	(2,272,765)
- Right-of-use assets	(1,211,088)	-	-	868,982	(342,106)
- investment property	(223,933)	-	-	-	(223,933)
Reversal of impairment losses on financial assets and contract assets	42,227	(40,655)	-	-	1,572
Assets					
Segment assets	111,418,383	32,000,621	99,309,027	(81,820,782)	160,907,249
Unallocated assets:					
- Deferred tax assets					45,108
- Current tax assets					5,857,139
					<u>166,809,496</u>
Additions to non-current assets other than financial instrument:					
- Property, plant and equipment	5,312,083	-	-	-	5,312,083
- Right-of-use assets	303,875	-	-	-	<u>303,875</u>
Liabilities					
Segment liabilities	41,286,389	5,580,420	530,520	(14,148,475)	33,248,854
Unallocated liabilities:					
- Deferred tax liabilities					1,099,276
- Current tax liabilities					821,836
					<u>35,169,966</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

33. OPERATING SEGMENTS *(cont'd)*

33.2 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Customer A	41,717,872	19,969,509
Customer B	28,143,769	4,693,125
Customer C	-	4,944,529
Customer D	-	9,709,338
Customer E	-	27,070,195

34. CAPITAL COMMITMENTS

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Construction of telecommunication tower	288,621	292,562
Construction of office building	-	-
Purchase of property, plant and equipment	-	453,908
	288,621	746,470

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk, equity price risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currency giving rise to the risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the exposure is at an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	The Group	
	31.12.2023	30.6.2022
	RM	RM
<u>USD</u>		
Financial Assets		
Trade receivables	1,982,233	636,664
Cash and bank balances	3,115,219	2,968,958
	5,097,452	3,605,622
Financial Liabilities		
Trade payables	879,082	-
Other payables	-	-
	879,082	-
Currency Exposure	4,218,370	3,605,622

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency at the end of the reporting period, with all other variables held constant:-

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Effects on Profit After Taxation		
USD/RM - strengthened by 4% (2022 - 6%)	+128,238	+164,416
- weakened by 4% (2022 - 6%)	-128,238	-164,416

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS *(cont'd)*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *(cont'd)*

(a) Market Risk *(cont'd)*

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

(iv) Price Risk

The Group's and the Company's principal exposure to price risk arises mainly from changes in money market funds.

Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of money market funds at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 6 (2022 - 2) customers which constituted approximately 79% (2022 - 73%) of its trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(i) Credit Risk Concentration Profile (cont'd)

In addition, the Group also determine concentration of credit risk by monitoring the geographical region of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of trade receivables and contract assets at the end of the reporting period is as follows:-

	The Group	
	31.12.2023	30.6.2022
	RM	RM
Malaysia	69,961,955	43,717,073
Netherlands	1,582,623	197,577
Sri Lanka	-	-
Hong Kong	277,075	434,159
Others	122,537	10,054
	71,944,190	44,358,863

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' repayment and financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full and is more than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Assessment of Impairment Losses (cont'd)

Trade Receivables and Contract Assets

The Group considers the probability of default upon initial recognition of asset and applies the simplified approach to measure expected credit losses ("ECL") using lifetime ECL allowance for all trade receivables and contract assets. An impairment analysis is performed at each reporting date using provision matrix to measure ECL for all trade receivables and contract assets.

The Group considers a receivable as being in default requiring individual impairment assessment when the debtor fails to make payment for invoices more than 365 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The ECL assessment incorporate historical default experience, customers' financial information, past trends of payments of each customer individually and forward-looking information such as forecast of economic conditions where the gross domestic product is expected to increase/decrease over the next year, leading to change in the number of defaults.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from ECL for trade receivables and contract assets.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM	Lifetime ECL RM	Credit Impaired RM	Carrying Amount RM
31.12.2023				
Current (not past due)	17,699,302	-	-	17,699,301
1 to 30 days past due	1,279,611	(58,819)	-	1,220,792
31 to 60 days past due	1,779,769	-	-	1,779,769
61 to 90 days past due	621,055	-	-	621,055
More than 90 days past due	8,802,325	(189,115)	-	8,613,210
Credit impaired	321,452	-	(321,452)	-
Trade receivables	30,503,514	(247,934)	(321,452)	29,934,127
Retention sum	1,969,387	-	-	1,969,387
Contract assets	42,010,062	-	-	42,010,062
	74,482,963	(247,934)	(321,452)	73,913,577

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Assessment of Impairment Losses (cont'd)

Trade Receivables and Contract Assets (cont'd)

The Group	Gross Amount RM	Lifetime ECL RM	Credit Impaired RM	Carrying Amount RM
30.6.2022				
Current (not past due)	13,509,172	(25,066)	-	13,484,106
1 to 30 days past due	1,161,688	(25,820)	-	1,135,868
31 to 60 days past due	635,061	(8,653)	-	626,408
61 to 90 days past due	714,573	(16,095)	-	698,478
More than 90 days past due	12,036,380	(344,701)	-	11,691,679
Credit impaired	2,161,629	(2,161,629)	-	-
Trade receivables	30,218,503	(2,581,964)	-	27,636,539
Retention sum	710,120	-	-	710,120
Contract assets	16,746,590	(24,266)	-	16,722,324
	47,675,213	(2,606,230)	-	45,068,983

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 14 and 15 to the financial statements respectively.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

No expected credit loss is recognised on other receivables as it is negligible.

Cash and Bank Balances

The Group considers these banks and financial institutions to have low credit risks. In addition, some of the bank balances are insured by government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

35. FINANCIAL INSTRUMENTS *(cont'd)*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *(cont'd)*

(b) Credit Risk *(cont'd)*

(iii) Assessment of Impairment Losses *(cont'd)*

Amount Owing By Subsidiaries (Non-trade Balance)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries to have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(c) Liquidity Risk (cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
31.12.2023					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	12,182,249	18,062,364	934,451	3,257,514	13,870,399
Hire purchase payables	3,955,353	4,395,000	1,182,683	3,171,656	40,661
Term loans and trade bills	5,478,729	6,517,226	2,668,531	1,310,016	2,538,679
Trade payables	15,934,531	15,934,531	15,934,531	-	-
Other payables and accruals	12,369,348	12,369,348	12,369,348	-	-
	49,920,210	57,278,469	33,089,544	7,739,186	16,449,739
30.06.2022					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	12,696,753	19,197,045	857,221	3,009,384	15,330,440
Hire purchase payables	2,522,554	2,799,186	1,060,754	1,677,371	61,061
Term loans	5,477,867	6,335,099	723,012	2,894,100	2,717,987
Trade payables	9,054,356	9,054,356	9,054,356	-	-
Other payables and accruals	3,188,200	3,188,200	3,188,200	-	-
	32,939,730	40,573,886	14,883,543	7,580,855	18,109,488

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

35. FINANCIAL INSTRUMENTS *(cont'd)*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *(cont'd)*

(c) Liquidity Risk *(cont'd)*

Maturity Analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- *(cont'd)*

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
31.12.2023			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	838,883	838,883	838,883
30.6.2022			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	530,520	530,520	530,520

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	31.12.2023	30.6.2022	31.12.2023	30.6.2022
	RM	RM	RM	RM
Financial Assets				
<u>At Fair Value Through Profit or Loss</u>				
Short-term investments	22,945,360	26,872,163	21,005,258	24,079,243
<u>Amortised Cost</u>				
Trade receivables	29,934,127	27,636,539	-	-
Other receivables	284,458	350,932	77,690	-
Amount owing by a subsidiary	-	-	8,254,636	6,596,745
Cash and bank balances	7,249,633	15,657,363	79,845	589,802
	37,468,218	43,644,834	8,412,171	7,186,547
Financial Liability				
<u>Amortised Cost</u>				
Term loans	3,137,702	5,477,867	-	-
Trade bills	2,341,027	-	-	-
Trade payables	15,934,531	9,054,356	-	-
Hire purchase payables	3,955,353	2,522,554	-	-
Other payables and accruals	12,369,348	3,188,200	838,883	530,520
	37,737,961	20,242,977	838,883	530,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

35. FINANCIAL INSTRUMENTS *(cont'd)*

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	31.12.2023	30.06.2022
	RM	RM
Financial Assets		
<u>At Fair Value through Profit or Loss</u>		
Net gains recognised in profit or loss	1,319,645	359,111
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	1,757,040	268,293
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(664,885)	(205,032)
	The Company	
	31.12.2023	30.06.2022
	RM	RM
Financial Assets		
<u>At Fair Value through Profit or Loss</u>		
Net gains recognised in profit or loss	1,172,403	302,009
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	363,784	198,336
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2023								
<u>Financial Asset</u>								
Short-term investments	-	22,945,360	-	-	-	-	22,945,360	22,945,360
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	3,137,702	-	3,137,702	3,137,702
Hire purchase payables	-	-	-	-	3,955,353	-	3,616,774	3,955,353
Trade bills	-	-	-	-	2,341,027	-	2,341,027	2,341,027
2022								
<u>Financial Asset</u>								
Short-term investments	-	26,872,163	-	-	-	-	26,872,163	26,872,163
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	5,477,867	-	5,477,867	5,477,867
Hire purchase payables	-	-	-	-	2,522,554	-	2,249,995	2,522,554

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

35. FINANCIAL INSTRUMENTS (cont'd)

35.5 FAIR VALUE INFORMATION (cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (cont'd)

	Fair Value of Financial Instruments Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
The Company	RM	RM	RM	RM	RM
31.12.2023					
<u>Financial Asset</u>					
Short-term Investments	-	21,005,258	-	21,005,258	21,005,258
30.6.2022					
<u>Financial Asset</u>					
Short-term Investments	-	24,079,243	-	24,079,243	24,079,243

(i) Fair Value of Financial Instruments Carried at Fair Value

The fair value above have been determined using the following basis:-

- (a) The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (b) There were no transfers between the levels during the financial period/year.

(ii) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (a) The fair values of the Group's term loans and trade bills that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.
- (b) The fair value of hire purchase payables is estimated by discounting expected future cash flows using current market interest rate.

36. MATERIAL LITIGATION

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

The dispute relates to a sub-contract between Binasat SB, a wholly owned subsidiary of the Company, and Rosado 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".

In the previous year, Binasat SB had claimed approximately RM1,177,000 (including profit portion) being the sum due and amount owing for work carried out and completed for Rosado up to the date of the termination of the sub-contract. Rosado had in response, counterclaimed against Binasat SB for general damages to be assessed by the Court and costs.

On 10 April 2023, the Company had entered into a consent judgement and Rosado had agreed to the settlement of RM875,000 to the Company, and the case had deemed to be concluded.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

cont'd

36. MATERIAL LITIGATION (*cont'd*)

Case Number: PA-A52NCC-55-07/2022 between Binasat Sdn Bhd (“Binasat SB”) and LCH Earthworks Sdn Bhd (“LCH”)

On 19 August 2022, LCH filed a writ against Binasat SB to claim for damages amounting to RM177,931.94 for alleged outstanding payment due and owing to LCH for works performed. Next trial has been fixed on 7 October 2024, 8 October 2024, 9 October 2024 and 10 October 2024.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 13 October 2022, the Company had proposed to undertake the issuance of free warrants of up to 194,147,753 warrants (“proposed free warrants”), on the basis of 1 warrant for every 2 existing shares held by shareholders on the entitlement date (“Proposal”). The proposed free warrants shall have a tenure of 3 years. The proposed warrants will be issued at no cost to the entitled shareholders. The Proposal was approved by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 14 November 2022 and by the shareholders at the Extraordinary General Meeting on 30 November 2022. The free warrants issue had been completed following the listing and quotation of 194,147,748 warrants on the ACE Market of Bursa Malaysia on 27 January 2023, with an exercise price of RM0.32 each.
- (b) On 27 November 2023, the Company submitted to Bursa Malaysia proposed private placement of up to 58,244,300 new shares (“Placement Shares”) at an issue price to be determined at a later date. This placement represents not more than 10% of the total number of issued shares of the Company. The proposal was approved by Bursa Malaysia on 30 January 2024, as disclosed in Note 38.

38. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 30 January 2024, the Company announced that Bursa Malaysia had approved the listing and quotation of up to 58,244,300 Placement Shares to be issued pursuant to the private placement exercise as disclosed in Note 37(b).

40. CAPITAL MANAGEMENT

The primary objective of the Group’s capital management is to ensure that it maintains strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial period/year ended 31 December 2023 and 30 June 2022.

The Group manages capital using debt-to-equity ratio. The debt-to-equity ratio is calculated as net debts divided by total shareholders’ equity. Net debt is calculated as bank borrowings plus lease liabilities less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023
cont'd

40. CAPITAL MANAGEMENT (cont'd)

The debt-to-equity ratio of the Group as at the end of the reporting period is as follows:

Group	31.12.2023	30.06.2022
	RM	RM
Borrowings	9,434,082	8,000,421
Less: Cash and cash equivalents	(30,194,993)	(42,529,526)
Net cash	(20,760,911)	(34,529,105)
Total shareholders' equity	118,701,658	131,639,530
Debt-to-equity ratio	N/A*	N/A*

*The gearing ratio is not applicable as the cash and cash equivalents is sufficient to cover the entire debt obligation.

41. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except for certain comparative amounts have been reclassified to conform with current year's presentation.

LIST OF PROPERTIES

No.	Title No./ Property Address	Tenure	Description of Property/ Existing Use	Land Area/ Built-up	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31
				Area (sq. ft.)			December 2023 (RM)
1	HS (D) 550747, PTD 170968, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor./ No.5 Jalan Kempas Lama 1, Off Jalan Kempas Lama, 81300 Skudai, Johor ("Kempas Lama Property")	Freehold	Three storey cluster corporate factory/Vacant	6,491/ 7,398	28.5.2014	9 years	2,473,819
2	HS (D) 560747, PTD 8688, Mukim Jelutong, Tempat Taman Nusantara Daerah Johor Bahru, Negeri Johor./ Lot 24, Tiong Nam Business Park @ SiLC7, 79200 Johor Bahru, Johor ("SiLC7 Property")	Freehold	Three storey shop office/ Vacant	1,540/ 4,620	30.3.2014	6 years	1,186,676
3	Parcel No. TKP3/DS-114 erected on land held under HS(D) 40768, PT 56152, Mukim Dengkil, Daerah Sepang, Negeri Selangor./ No. 85, Jalan SP 3/4 Salak Perdana, 43900 Sepang, Selangor ("Salak Perdana Property")	Freehold	Two and half storey terrace house/Rented to third party	1,400/ 1,558	22.9.2014	9 years	251,192
4	H.S.(D) 116031, PT 13824, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur./ Menara Binasat, Lot PT 13824, Jalan Teknologi 4, Technology Park Malaysia, 57000, Bukit Jalil, Kuala Lumpur.	60 years lease expiring on 1 June 2078	Three storey corporate office and storage facility/Office & Warehouse	147,132/ 22,366	20.7.2020	3 years	13,337,559

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

ORDINARY SHARE

Total Number of Issued Shares	:	388,295,506
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Shareholders	:	4,801

ANALYSIS BY SIZE OF SHAREHOLDINGS

	No. of Shareholders	%	No. of Shares Held	%
1 – 99	11	0.23	437	0.00
100 – 1,000	464	9.67	269,000	0.07
1,001 – 10,000	2,009	41.84	12,909,312	3.32
10,001 – 100,000	1,980	41.24	71,592,100	18.44
100,001 to less than 5% of issued shares	334	6.96	168,465,685	43.39
5% and above of issued shares	3	0.06	135,058,972	34.78
	4,801	100.00	388,295,506	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	No. of Ordinary Shares			
	Direct	%	Indirect	%
Opcom VC Sdn Bhd	96,222,021	24.78	-	-
Dato' Ong Choo Meng	-	-	96,222,021	24.78
Hextar Capital Berhad (Formerly known as Opcom Holdings Berhad)	-	-	96,222,021	24.78
Na Bon Tiam	38,836,951	10.00	-	-

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Ordinary Shares			
	Direct	%	Indirect	%
Tan Sri Datuk Cham Hak Lim	1,200,000	0.31	-	-
Ong Soon Lim	-	-	-	-
Zulamran Bin Hamat	2,500,000	0.64	-	-
Dato' Seow Thiam Fatt	300,000	0.08	-	-
Datin Gan Kok Ling (resigned on 1 April 2024)	-	-	-	-
Teh Li King	-	-	-	-
Sharon Ng Saw Ean (appointed on 1 April 2024)	-	-	-	-
Yeong Siew Lee (appointed on 1 April 2024)	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

cont'd

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares Held	%
1	Opcom VC Sdn Bhd	70,000,000	18.03
2	Na Bon Tiam	38,836,951	10.00
3	Opcom VC Sdn Bhd	26,222,021	6.75
4	Kenanga Capital Sdn Bhd <i>Pledged Securities Account for Dynamic Paradigm Sdn Bhd</i>	19,000,000	4.89
5	Mah Chuen Huei	6,405,100	1.65
6	Amanahraya Trustees Berhad <i>Stakeholder Account for Binasat Communications Berhad</i>	5,714,285	1.47
7	Fong Ah Chai	5,200,000	1.34
8	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hon Pansy (8124416)</i>	4,050,000	1.04
9	Lim Soon Tut	3,100,000	0.80
10	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chong Fut Ling (001)</i>	3,068,700	0.79
11	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	3,000,000	0.77
12	Zulamran Bin Hamat	2,500,000	0.64
13	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Guan Chong (E-KLG)</i>	2,012,000	0.52
14	Tan Pooi Fan	1,900,000	0.49
15	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Lee Yuet Ngor</i>	1,848,000	0.47
16	Soo Tong Hui	1,817,800	0.47
17	Yu Lian Hai	1,800,000	0.46
18	Yu Kim Lung	1,600,000	0.41
19	He Swee Hong	1,540,100	0.40
20	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Aun Chuan (8041381)</i>	1,502,100	0.39
21	Koh Tat Meng	1,500,000	0.39
22	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Su Suit Chai (E-BSA/PKG)</i>	1,500,000	0.39
23	Tan Teong Hock	1,377,300	0.35
24	Chew Soon Ping @ David Chew	1,300,000	0.34
25	Ting Ata @ Ting Teong Cheow	1,300,000	0.34
26	Tan Kon Woei	1,272,800	0.33
27	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Cham Hak Lim (021)</i>	1,200,000	0.31
28	Abdul Malik Bin Abdul Rahman	1,198,000	0.31
29	Koh Tat Meng	1,097,900	0.28
30	Ang Kun Huat	1,049,000	0.27
	Total	213,912,057	55.09

ANALYSIS OF WARRANTHOLDINGS

AS AT 29 MARCH 2024

ANALYSIS BY SIZE OF WARRANTHOLDINGS

	No. of Warrantholders	%	No. of Warrants Held	%
1 – 99	235	7.92	11,439	0.01
100 – 1,000	525	17.68	319,001	0.16
1,001 – 10,000	1,373	46.24	6,966,706	3.59
10,001 – 100,000	674	22.70	22,906,660	11.80
100,001 to less than 5% of issued warrants	160	5.39	127,225,567	65.53
5% and above of issued warrants	2	0.07	36,718,375	18.91
	2,969	100.00	194,147,748	100.00

LIST OF SUBSTANTIAL WARRANTHOLDERS

Substantial Warrant Holders	Direct	No. of Warrant		%
		%	Indirect	
Dato' Ong Choo Meng	36,718,375	18.91	-	-

DIRECTOR'S WARRANTHOLDINGS

Name of Directors	Direct	No. of Warrant		%
		%	Indirect	
Tan Sri Datuk Cham Hak Lim	-	-	-	-
Ong Soon Lim	-	-	-	-
Zulamran Bin Hamat	-	-	-	-
Dato' Seow Thiam Fatt	-	-	-	-
Datin Gan Kok Ling (<i>resigned on 1 April 2024</i>)	-	-	-	-
Teh Li King	-	-	-	-

LIST OF THIRTY LARGEST WARRANTHOLDERS

No.	Warrantholders	No. of Warrants Held	%
1	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Dato' Ong Choo Meng</i>	25,000,000	12.88
2	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank (M) Berhad for Dato' Ong Choo Meng (SMART)</i>	11,718,375	6.04
3	Lim Soon Tut	9,300,000	4.80
4	Kenanga Nominees (Asing) Sdn Bhd <i>Exempt an for Phillip Securities Pte Ltd (Client Account)</i>	5,736,550	2.95
5	Na Bon Tiam	5,311,225	2.74
6	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hon Pansy (8124416)</i>	4,459,500	2.30

ANALYSIS OF WARRANTHOLDINGS

AS AT 29 MARCH 2024

cont'd

LIST OF THIRTY LARGEST WARRANTHOLDERS (cont'd)

No.	Warrantholders	No. of Warrants Held	% of shares
7	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chong Fut Ling (001)</i>	4,050,000	2.08
8	Khor Ching Ting	3,900,000	2.00
9	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Kong Foong Ming</i>	3,450,000	1.78
10	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Yap Suet Hui (021)</i>	3,217,500	1.66
11	Lim Guan Lee	3,200,000	1.65
12	Lim Yaw Jenn	3,200,000	1.65
13	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Tong Hwa (STF)</i>	3,100,000	1.59
14	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hon Pansy (001)</i>	3,000,000	1.54
15	Amanahraya Trustees Berhad <i>Stakeholder Account for Binasat Communications Berhad</i>	2,857,142	1.47
16	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Tong Hwa</i>	2,809,000	1.45
17	Soo Tong Hui	2,707,900	1.39
18	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Chin Leh</i>	2,200,000	1.13
19	Lim Yaw Shing	2,200,000	1.13
20	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Soh Wei Jian</i>	2,160,000	1.11
21	Poh Kok Yeong	2,004,850	1.03
22	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong King Seng</i>	2,000,000	1.03
23	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Su Suit Chai (E-BSA/PKG)</i>	2,000,000	1.03
24	Koh Tat Meng	1,900,000	0.98
25	So Bee Hwa	1,800,000	0.93
26	Ng Bun Bu	1,700,000	0.88
27	Ong Xeng Thou	1,650,000	0.85
28	Ng Siew Wah	1,550,000	0.80
29	Koh Tat Meng	1,400,000	0.72
30	Law Ban Seng	1,300,000	0.67
	Total	120,882,042	62.26

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting (“7th AGM”) of Binasat Communications Berhad (“BINASAT” or “the Company”) will be conducted on a virtual basis through remote participation and electronic voting from Boardroom, Menara Binasat, Jalan Teknologi 4, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur (“Broadcast Venue”) on Friday, 28 June 2024 at 10.00 a.m. to transact the following businesses: -

AGENDA

As Ordinary Business

- | | | |
|------|--|---|
| 1. | To receive the Audited Financial Statements for the financial period ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. | To approve and ratify the payment of Directors’ fees to the Non-Executive Directors of the Company up to an aggregate amount of RM144,000.00 for the period from 1 July 2023 to 31 March 2024. | Ordinary Resolution 1
<i>(Please refer to Explanatory Note 2)</i> |
| 3. | To approve the payment of Directors’ fees to the Non-Executive Directors of the Company up to an aggregate amount of RM381,000.00 for the period from 1 April 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 2
<i>(Please refer to Explanatory Note 3)</i> |
| 4. | To re-elect Encik Zulamran Bin Hamat who retires pursuant to Clause 96 of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. | To re-elect the following Directors who retire pursuant to Clause 102 of the Company’s Constitution:- | |
| i. | Mr. Ong Soon Lim | Ordinary Resolution 4 |
| ii. | Mr. Teh Li King | Ordinary Resolution 5 |
| iii. | Ms. Yeong Siew Lee | Ordinary Resolution 6 |
| iv. | Ms. Sharon Ng Saw Ean | Ordinary Resolution 7 |
| 6. | To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to determine their remuneration. | Ordinary Resolution 8 |

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications: -

- | | | |
|----|--|---|
| 7. | Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016. | Ordinary Resolution 9
<i>(Please refer to Explanatory Note 4)</i> |
|----|--|---|

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), the Constitution of the Company, ACE Market Listing Requirement of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and approval from Bursa Securities and any other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered to issue and allot shares (“**New Shares**”) in the capital of the Company from time to time, at such price, and upon such terms and conditions, for such purposes, and to such person or persons as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of such New Shares to be issued and allotted, pursuant to this resolution, aggregated with the total number of any such

NOTICE OF ANNUAL GENERAL MEETING

cont'd

shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being as stipulated under Rule 6.04(1) of ACE Market Listing Requirements of the Bursa Securities (“**Proposed General Mandate**”); **AND THAT** the Directors be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.

THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company.

THAT pursuant to Section 85 of the Act read together with Clause 14 of the Company’s Constitution, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company and to offer New Shares arising from the issuance and allotment of the New Shares pursuant to Sections 75 and 76 of the Act, the Constitution of the Company and the approvals from Bursa Securities and any other relevant governmental and/or regulatory authorities, where such approval is required; **AND THAT** such New Shares when allotted shall rank pari passu in all respects with the existing class of ordinary shares.

FURTHER THAT the Board of Directors of the Company is exempted from the obligation to offer such New Shares to the existing shareholders of the Company.”

8. **Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**

Ordinary Resolution 10
(Please refer to Explanatory Note 5)

“**THAT** subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), approval be and is hereby given to the Company and/or its subsidiary(ies) (“**Binasat Group**”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5 of the Circular to the Shareholders dated 29 April 2024 in relation to the Proposed Shareholders’ Mandate which are necessary for the day-to-day operations of Binasat Group, and are carried out in the ordinary course of business, the transactions are undertaken at an arm’s length basis and are on normal commercial terms which are not more favourable to the related parties than those generally available to third party and on terms not detrimental to the minority shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

AND THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) as they may consider expedient or necessary in the best interest of the Company to give effect to the Proposed Shareholders’ Mandate.”

9. To transact any other business of the Company of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG MEE KIAT (MAICSA 7058813) (SSM PC No. 202008001958)
LIM LI HEONG (MAICSA 7054716) (SSM PC No. 202008001981)
WONG YOUN KIM (MAICSA 7018778) (SSM PC No. 201908000410)

Company Secretaries

Kuala Lumpur

Date: 29 April 2024

Notes:

1. *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 platform is located in Malaysia. Members are advised to refer to the Administrative Guide to the Shareholders which is available on the Company’s corporate website at <https://www.binacom.com.my/home/>, for remote participation access and electronic voting at the 7th AGM.*
2. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every holder of ordinary or preference shares who is personally present, who is a Member or proxy or represented by attorney on a show of hands on any question shall have one vote and upon a poll every such Member shall have one vote for every ordinary or preference share held by him. A proxy need not be a Member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

NOTICE OF ANNUAL GENERAL MEETING

cont'd

3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors). An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.*
6. *The form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator’s office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.Binasat@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting. You also have the option to register link <https://vps.megacorp.com.my/jXW0FD>. Kindly refer to the Administrative Guide to the Shareholders for further information.*
7. *In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 21 June 2024 (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. *By submitting the duly executed form of proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.*

Explanatory Notes:

1. Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolution 1 Payment of Directors’ Fees

At the 6th AGM of the Company held on 30 November 2022, the shareholders had approved the increase of Directors’ fees for the financial year ending 30 June 2023 and further approved the payment of Directors’ fees to the Non-Executive Directors of the Company up to an aggregate amount of RM228,000.00 for the financial year ending 30 June 2023.

However, in view of the change of financial year end of the Company, i.e. from 30 June 2023 to 31 December 2023, and expansion of the Board size, the Company had paid the Directors’ Fees of RM144,000.00 to the Directors of the Company.

3. Ordinary Resolution 2 Proposed Payment of Directors’ Fees

Pursuant to Section 230(1) of the Act, the Directors’ Fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.

There are no benefits payable to Directors. In this respect, shareholders’ approval shall be sought at this 7th AGM on the Directors’ fees under Ordinary Resolution 2.

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors’ fees on a current year basis based on the current board size and the number of scheduled meetings. In the event that the amount proposed is insufficient (due to enlarged Board size and additional number of meetings), approval will be sought at the next Annual General Meeting for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

cont'd

4. Ordinary Resolution 9
Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the 7th AGM of the Company.

*The Company had been granted a general mandate by its shareholders at the 6th AGM of the Company on 30 November 2022 (“**Previous Mandate**”). The previous mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom*

The proposed Ordinary Resolution 9, if passed, is a renewal general mandate to empower the Directors of the Company to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the best interest of the Company.

The 10% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, repayment of bank borrowing(s), if any, for purpose of funding future investment project(s), working capital and/or acquisitions. The 10% General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to irrevocably waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 14 of the Constitution of the Company, pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

5. Ordinary Resolution 10
Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)

*The proposed Ordinary Resolution 10, if passed, will allow the Company and/or its subsidiary(ies) (“**Binasat Group**”) to enter into the Recurrent Related Party Transactions of a Revenue and/or Trading Nature in the ordinary course of its business, which is necessary for the Binasat Group’s day-to-day operations with the related parties as set out in the Circular to Shareholders dated 29 April 2024.*

Please refer to the Circular to Shareholders dated 29 April 2024 for further details.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2), Appendix 8A of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of person who is standing for re-election as Director

The Director standing for re-election pursuant to Clause 96 of the Company's Constitution at the Seventh Annual General Meeting is Encik Zulamran Bin Hamat. His profile is stated on page 28 of the 2023 Annual Report.

The details of the Director's interest in the securities of the Company is stated in the "Analysis of Shareholdings" section of the 2023 Annual Report.

2. Details of persons who are standing for re-election as Directors

The Directors standing for re-election pursuant to Clause 102 of the Company's Constitution at the Seventh Annual General Meeting are Mr. Ong Soon Lim, Mr. Teh Li King, Ms. Yeong Siew Lee and Ms. Sharon Ng Saw Ean. Their profiles are stated on pages 27 and 30 to 32 of the 2023 Annual Report.

The details of the Directors' interest in the securities of the Company are stated in the "Analysis of Shareholdings" section of the 2023 Annual Report.

3. Statement relating to general mandate for issue of securities in accordance with paragraph 6.04(1) of Ace Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities pursuant to Sections 75 and 76 of the Act are set out under Explanatory Note 4 of this Notice.

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 letters), _____

* NRIC No./Passport No./Company No. _____

of (full address) _____

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

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email address			
Mobile Phone No.			

and/ or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email address			
Mobile Phone No.			

or failing him/her*, the Chairman of the meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Seventh Annual General Meeting ("7th AGM") of the Company to be conducted on a virtual basis through remote participation and electronic voting from Boardroom, Menara Binasad, Jalan Teknologi 4, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Friday, 28 June 2024 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

No.	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1.	Payment of Directors' fees to the Non-Executive Directors of the Company up to an aggregate amount of RM144,000.00 for the period from 1 July 2023 to 31 March 2024.		
2.	Payment of Directors' fees to the Non-Executive Directors of the Company up to an aggregate amount of RM381,000.00 for the period from 1 April 2024 until the next Annual General Meeting of the Company.		
3.	Re-election of Encik Zulamran Bin Hamat as Director.		
4.	Re-election of Mr. Ong Soon Lim as Director.		
5.	Re-election of Mr. Teh Li King as Director.		
6.	Re-election of Ms. Yeong Siew Lee as Director.		
7.	Re-election of Ms. Sharon Ng Saw Ean as Director.		
8.	Re-appointment of Messrs. Ecovis Malaysia PLT as Auditors of the Company for the ensuing financial year and to authorize the Directors to determine their remuneration		
SPECIAL BUSINESS			
9.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
10.	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.)

*delete whichever is not applicable.

Dated this _____ day of _____ 2024

Signature/Common Seal of Member^

^ Manner of execution:

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. 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 platform is located in Malaysia. Members are advised to refer to the Administrative Guide to the Shareholders which is available on the Company's corporate website at <https://www.binacom.com.my/home/>, for remote participation access and electronic voting at the 7th AGM.
2. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every holder of ordinary or preference shares who is personally present, who is a Member or proxy or represented by attorney on a show of hands on any question shall have one vote and upon a poll every such Member shall have one vote for every ordinary or preference share held by him. A proxy need not be a Member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

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AFFIX
STAMP

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

Mega Corporate Services Sdn. Bhd.
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

1st Fold Here

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors). An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
6. The form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator's office at Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.Binasat@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting. You also have the option to register link <https://vps.megacorp.com.my/jXW0FD>. Kindly refer to the Administrative Guide to the Shareholders for further information.
7. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 21 June 2024 (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. By submitting the duly executed form of proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

www.binacom.com.my

BINASAT COMMUNICATIONS BERHAD

[Registration No: 201701008491 (1222656-D)]
(Incorporated in Malaysia under the Companies Act 2016)

Menara Binasat, Lot PT 13824,
Jalan Teknologi 4, Technology Park Malaysia,
Bukit Jalil, 57000 Kuala Lumpur.

T + 603-9546 1881 | **F** + 603-9546 1850
E contact@binagroup.com.my