

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review basis on Part (ii) in respect of the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. Bursa Securities has not perused the contents of Part (i) of the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to the issuance of this Circular as it is prescribed as an exempt document pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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



**BINASAT COMMUNICATIONS BERHAD**  
Registration No. 201701008491 (1222656-D)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- (i) PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (ii) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolutions in respect of the above proposals will be tabled as Special Business at the Seventh Annual General Meeting ("**7<sup>th</sup> AGM**") of Binat Communications Berhad ("**the Company**") which will be conducted on a virtual basis through remote participation and electronic voting from Boardroom, Lot PT 13824, Jalan Teknologi 4, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("**Broadcast Venue**") and online meeting voting provided by Mega Corporate Services Sdn. Bhd. on Friday, 28 June 2024 at 10.00 a.m. or at any adjournment thereof. The Notice of 7<sup>th</sup> AGM, Form of Proxy, Administrative Guide, Annual Report 2023, Corporate Governance Report and this Circular are available on the Company's website at <https://www.binacom.com.my/investor-relations/>.

The notice of the 7<sup>th</sup> AGM and the Form of Proxy are set out in the Annual Report 2023. The Form of Proxy should be completed in accordance with the instructions therein and deposit it to 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](mailto:AGM-support.Binasat@megacorp.com.my), not less than 48 hours before the time for holding the meeting or any adjournment thereof. You also have the option to register online <https://vps.megacorp.com.my/jXW0FD>. Kindly refer to the Administrative Guide to the Shareholders for further information. The lodging of the Form of Proxy will not preclude a shareholder from attending and voting in person at the 7<sup>th</sup> AGM should the shareholder subsequently wish to do so.

Last date and time for lodging the Form of Proxy:	26 June 2024 at 10:00 a.m.
Date and time of the 7 <sup>th</sup> AGM:	28 June 2024 at 10:00 a.m.

This Circular is dated 29 April 2024

- (I) PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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## DEFINITIONS

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

<b>Act</b>	:	The Companies Act, 2016, as amended from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting of Binasat
<b>Annual Report 2023</b>	:	Annual Report of the Company for the financial period ended 31 December 2023
<b>ARMC</b>	:	Audit and Risk Management Committee
<b>Binasat or the Company</b>	:	Binasat Communications Berhad [201701008491 (1222656-D)]
<b>Binasat Group or Group</b>	:	Binasat and its subsidiaries collectively (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
<b>Binasat Share(s)</b>	:	Ordinary share(s) of Binasat
<b>Board</b>	:	The Board of Directors of Binasat
<b>BSB</b>	:	Binasat Sdn. Bhd. [200001013483 (516089-U)], a wholly owned subsidiary of the Company
<b>BSSB</b>	:	Binasat (Sabah) Sdn. Bhd. [201401013082 (1089166-U)], a wholly owned subsidiary of the Company
<b>BCSB</b>	:	Borderless Connection Sdn. Bhd. [201301029960 (1059790-T)], a 51%-owned subsidiary of Binasat
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
<b>Circular</b>	:	This Circular to shareholders of Binasat dated 29 April 2024 in relation to the Proposed Mandate
<b>CLSSB</b>	:	Complete Logistic Specialists Sdn. Bhd. [199701030089 (445588-V)]
<b>Director(s)</b>	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:-  i) a Director of the Company, its subsidiary or holding company; or ii) a Chief Executive Officer of the Company, its subsidiary or holding company
<b>HCB</b>	:	Hextar Capital Berhad (Formerly known as Opcom Holdings Berhad) [199401036979 (322661-W)]
<b>HCB Group Companies</b>	<b>of</b>	HCB is an investment holding company with subsidiaries/associates involved in manufacturing of fibre optic cables and cable related products; Telecommunication Network Infrastructure Solutions Business includes but not limited to (i) setting up of new infrastructure including construction and installation of telco towers; (ii) supply chain management, warehousing and network maintenance; and (iii) other value-added services such as connectivity services, security services, data centres and related internet access to cloud services; and Power Generation and Transmission Business includes but not limited to (i) EPCC of power transmission and distribution substation infrastructure; (ii) project management and engineering consultancy of power transmission and distribution infrastructure; (iii) supply and maintenance of equipment for

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**DEFINITIONS (Cont'd)**

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- power transmission and distribution substations; (iv) biomass renewable energy power generation; and (v) trading of biomass-related products (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
- HGB** : Hextar Global Berhad [199001014551 (206220-U)]
- HGB Group Companies** of : HGB is an investment holding company with subsidiaries/associates involved in manufacturing and distribution of chemicals (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
- HHSB** : Hextar Holdings Sdn. Bhd. [200601002945 (722692-V)]
- HHSB Group Companies** of : HHSB is an investment holding company with subsidiaries/associates involved in businesses of manufacturing, marketing and distribution of chemicals, pesticides, fertilizers, engineering, solar photovoltaic (PV), equipment rental and supplies (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
- HTSB** : Hextar Technologies Solutions Berhad [200501034100 (716241-X)]
- HTSB Group Companies** of : HTSB is an investment holding company with subsidiaries/associates involved in technology applications, logistics and trading (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
- Listing Requirements** : ACE Market Listing Requirements of Bursa Securities, including any amendment thereto that may be made from time to time
- LPD** : 29 March 2024, being the latest practicable date prior to the issuance of this Circular
- Major Shareholder** : A person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:-
- (a) equal to or more than 10% of the total number of the voting shares in the Company; or
  - (b) equal to or more than 5% of the total number of voting shares in the Company where such person is the largest shareholder of the Company
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
- Person(s) Connected** : Shall have the same meaning given in Rule 1.01, Chapter 1 of the Listing Requirements
- Proposed Mandate** : Collectively, proposed renewal of existing shareholders’ mandate for recurrent related party transactions of a revenue or trading nature and proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature
- Proposed New Mandate** : Proposed new shareholders’ mandate for the RRPTs, as set out in Section 2.5(ii) of this Circular

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**DEFINITIONS (Cont'd)**

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<b>Proposed Renewal of Mandate</b>	:	Proposed renewal of existing shareholders' mandate for the RRPTs, as set out in Section 2.5(i) of this Circular
<b>Recurrent Related Party Transaction(s) or RRPTs</b>	:	Related party transaction(s) which is/are recurrent, of a revenue or trading nature which are necessary for the day-to-day operations of the Group and within the ordinary course of business of the Group entered into by the Group, which involves the interest, direct or indirect, of Related Parties
<b>Related Party Transaction(s)</b>	:	Transaction(s) entered into by Binasat Group which involve the interest, direct or indirect, of a Related Party
<b>Related Party or Parties</b>	:	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>SNSB</b>	:	Satellite NOC Sdn. Bhd. [201201041062 (1025540-P)], a 70% subsidiary of the Company
<b>TKRSB</b>	:	TK Rentals Sdn. Bhd. [201001000267 (884835-W)]

All references to "our Company" in this Circular are to Binasat Communications Berhad and reference to "our Group" are to our Company and subsidiaries collectively. References to "we", "us", "our", and "ourselves" are to our Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words incorporating importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporation, unless otherwise specified.

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

All references to "you" in this Circular are to the shareholders of the Company.

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- (II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**LETTER TO THE COMPANY'S SHAREHOLDERS OF BINASAT**

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**BINASAT COMMUNICATIONS BERHAD**  
Registration No. 201701008491 (1222656-D)  
(Incorporated in Malaysia)

**Registered Office:**  
Level 5, Tower 8, Avenue 5,  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur

29 April 2024

## **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*)  
Teh Li King (*Non-Independent Non-Executive Director*)  
Yeong Siew Lee (*Independent Non-Executive Director*)  
Sharon Ng Saw Ean (*Independent Non-Executive Director*)

## **To: Shareholders of Binasat**

Dear Sir/Madam

- (I) PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
  - (II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
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## **1. INTRODUCTION**

At the 6<sup>th</sup> AGM held on 30 November 2022, the Company had obtained a general mandate from its shareholders for Binasat Group to enter into RRPTs in accordance with the Listing Requirements which lapses at the conclusion of the forthcoming AGM unless approval for its renewal is obtained from shareholders of the Company at the forthcoming AGM.

On 17 April 2024, the Company announced its intention to seek shareholders' approval for the Proposed Mandate at the forthcoming 7<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide the shareholders with the relevant details of the Proposed Mandate and to seek shareholders' approval for the ordinary resolution in relation thereto to be tabled at the forthcoming AGM.

**SHAREHOLDERS OF BINASAT ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED MANDATE TO BE TABLED AT THE FORTHCOMING 7<sup>TH</sup> AGM.**

## 2. DETAILS OF THE PROPOSED MANDATE

### 2.1 Provisions under the Listing Requirements

Rule 10.08 of the Listing Requirements stipulates the obligation of a listed corporation in relation to Related Party Transaction. However, pursuant to Rule 10.09 and Guidance Note 8 of the Listing Requirements, a listed corporation may seek for shareholders' mandate from its shareholders for RRPTs, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:  
  
"in relation to a listed issuer with a share capital RM60 million and above—
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the higher";
- (c) a circular to shareholders is issued by the Company for the shareholders' mandate and shall include the information as may be prescribed by Bursa Securities.
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested Major Shareholder or interested person connected with a Director and/or Major Shareholder; and where it involves the interest of an interested person connected to a director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of the RRPTs entered into by the listed corporation exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Under the provision of the Listing Requirements, where the Company has obtained shareholders' mandate in respect of RRPTs, the provisions under Rule 10.08 of the Listing Requirements shall not apply during the validity period of the shareholders' mandate.

It is envisaged that in the normal course of the Binasat Group's businesses, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Directors propose to seek approval from shareholders on the Proposed Mandate as set out in Section 2.5 below, to enable the Company and/or its subsidiaries to enter into RRPTs with the classes of Related Parties as set out in Section 2.4 below.



## 2.2 Validity period for the Proposed Mandate

The Proposed Mandate, if approved by the shareholders of the Company, is subject to annual review and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company (i.e., 8<sup>th</sup> AGM), at which time the said authority will lapse, unless by an ordinary resolution passed at the 8<sup>th</sup> AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever occurs first.

## 2.3 Principal activities of the Group

Binasat's principal activities are investment holding, and the principal activities of the subsidiaries are as follows:-

<b>Company</b>	<b>Principal Activities</b>	<b>Effective ownership interest</b>
BSB	Provision of support services for satellite, mobile and fibre optic telecommunications networks.	100%
BSSB	Provision of support services for satellite, mobile and fibre optic telecommunications networks.	100%
SNSB	Provision of support services for satellite telecommunications network.	70%
BCSB	Provision of transmission and distribution network utility construction services, as well as engineering, procurement, construction and commissioning ("EPCC") of solar facilities.	51%

## 2.4 Classes of Related Parties

The Proposed Mandate is necessary for Binasat Group's day to day operations and is in the ordinary course of business of Binasat Group.

The principal activities of the Related Parties are as follows:-

<b>Related Parties</b>	<b>Principal Activities</b>
CLSSB	Total logistic service provider.
HCB	Investment Holding Company.
HGB	Investment Holding Company.
HHSB	Investment Holding Company.
HTSB	Investment Holding Company.
TKRSB	Renting and trading of mobile air conditioner, tent and event related equipment and tools.

## 2.5 Nature of RRPTs

The classes of Related Parties having interest in the RRPTs for which the shareholders' approval on the Proposed Mandate is sought in respect of transactions to be entered into by companies within Binasat Group are as follows:-

### i) Proposed Renewal of Mandate

Transacting Party	Related Party	Type/Nature of Transaction	Estimated Aggregate value as disclosed in the preceding year's Circular (RM)	Actual value transacted from the date of the previous AGM up to LPD (RM)	Estimated value of transactions from the date of the forthcoming 7 <sup>th</sup> AGM up to the date of the next AGM* (RM)	Interested Directors, Major Shareholders and/or Persons connected to them
BSB	SNSB	Satellite uplink and downlink network equipment ("Equipment"), as well as high-definition Digital Satellite News Gathering ("DSNG") equipment owned by BSB were used by SNSB in their support services for satellite communications network. SNSB paid monthly rental to BSB for the use of the Equipment and DSNG.	1,500,000.00	1,450,227.00	10,000,000.00	Zulamran bin Hamat <sup>(1)</sup> Ong Soon Lim <sup>(2)</sup> Opcom VC Sdn. Bhd. <sup>(3)</sup> Dato' Ong Choo Meng <sup>(4)</sup>

Note:-

\* The estimated value of the RRPT during the validity period of the mandate as set out the above are for the period from the conclusion of the forthcoming 7<sup>th</sup> AGM of Binasat until the conclusion of the next AGM of Binasat which may vary and subject to change.

- (1) *Zulamran bin Hamat is an interested Director by virtue of his directorships, shareholdings in Binasat and SNSB. Please refer to Section 2.12 of this Circular for details of his shareholding in Binasat.*

*As at the LPD, the directorship and shareholding of Zulamran bin Hamat in SNSB are as follows:*

	<b>Direct</b>		<b>Indirect</b>		<b>Directorship</b>
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	
<i>BSB</i>	-	-	-	-	-
<i>SNSB</i>	225,000	30	-	-	√

- (2) *Ong Soon Lim is an interested Director by virtue of his directorships in Binasat, BSB and SNSB. Please refer to Section 2.12 of this Circular for details of his shareholding in Binasat.*

*As at the LPD, the directorships and shareholdings of Ong Soon Lim in BSB and SNSB are as follows:*

	<b>Direct</b>		<b>Indirect</b>		<b>Directorship</b>
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	
<i>BSB</i>	-	-	-	-	√
<i>SNSB</i>	-	-	-	-	√

- (3) *Opcom VC Sdn. Bhd. is the Major Shareholder of Binasat.*
- (4) *Dato' Ong Choo Meng is deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HCB which in turn is the holding company of Opcom VC Sdn. Bhd., the Major Shareholder of the Company.*

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ii) Proposed New Mandate

Transacting Party	Related Party	Type/Nature of Transaction	Estimated Aggregate value of RRPTs transacted from LPD up to the forthcoming 7 <sup>th</sup> AGM* (RM)	Actual value transacted from the date of the first transaction up to LPD** (RM)	Estimated value of transactions from the date of the forthcoming 7 <sup>th</sup> AGM up to the date of the next AGM*** (RM)	Interested Directors, Major Shareholders and/or Persons connected to them
SNSB (Seller)	BSB (Purchaser)	Provision of goods/services, e.g. but not limited to support services (such as engineering, operations and maintenance) for satellite telecommunications network.	-	-	20,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup> Zulamran bin Hamat <sup>(5)</sup>
Binasat Group (Purchaser)	HCB Group of Companies (Seller)	Purchase of goods/services from HCB Group of Companies e.g. but not limited to fiber optic cables, high density polyethylene tube and pipe, corrugated sub duct, smooth wall duct, fiber optic splice closure, box panel distribution, fiber wall socket, transformer oil and engineering services related to telecommunication network, fiber optic closure or fiber optic infrastructure.	-	92,541.00	5,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup> Teh Li King <sup>(4)</sup>
Binasat Group (Purchaser)	CLSSB (Seller)	Purchase of goods/services from CLSSB, e.g. but not limited to land transportation services.	-	-	1,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup>

Transacting Party	Related Party	Type/Nature of Transaction	Estimated Aggregate value of RRPTs transacted from LPD up to the forthcoming 7 <sup>th</sup> AGM* (RM)	Actual value transacted from the date of the first transaction up to LPD** (RM)	Estimated value of transactions from the date of the forthcoming 7 <sup>th</sup> AGM up to the date of the next AGM*** (RM)	Interested Directors, Major Shareholders and/or Persons connected to them
Binasat Group (Purchaser)	TKRSB (Seller)	Purchase of goods/services from TKRSB, e.g. but not limited to purchase of batteries.	-	-	2,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup> Teh Li King <sup>(4)</sup>
Binasat Group (Purchaser)	HGB Group of Companies (Seller)	Purchase of goods/services from HGB Group of Companies. e.g. but not limited to lubricant related additives.	-	-	5,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup> Teh Li King <sup>(4)</sup>
Binasat Group (Seller)	HHSB Group of Companies (Purchaser)	Supply of goods/services to HHSB Group of Companies. e.g. but not limited to engineering, consultation, maintenance and service management such as broadcasting services, solar PV system related maintenance and services.	-	-	5,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup> Teh Li King <sup>(4)</sup>
Binasat Group (Purchaser)	HTSB Group of Companies (Seller)	Purchase of goods/services from HTSB Group of Companies. e.g. but not limited to computer software and AI development-related work.	-	-	1,000,000.00	Opcom VC Sdn. Bhd. <sup>(1)</sup> Dato' Ong Choo Meng <sup>(2)</sup> Ong Soon Lim <sup>(3)</sup>

Note:-

\* The estimated values are merely estimates from the LPD up to the forthcoming AGM to be held in year 2024. The estimated value is based on the latest available information relating to the aforesaid transactions and historical trends and may vary.

\*\* The RRPTs transacted are crucial to sustaining the daily operation of Binasat Group, any delay might distort the business operation. The date of the first

transaction varies and the percentage ratio for the transaction(s) from the date of the first transaction up to the date of the forthcoming AGM is less than 5% and hence, no shareholders' approval is required. The Board will ensure that the aggregate value from the first transaction until the forthcoming AGM is less than 5%.

\*\*\* The estimated value of the RRPTs during the validity period of the mandate as set out above are for the period from the conclusion of the forthcoming 7<sup>th</sup> AGM of Binasat up to the date of the next AGM of Binasat. The estimated value is based on the latest available information relating to the aforesaid transactions and historical trends and may vary.

- (1) *Opcom VC Sdn. Bhd. is the Major Shareholder of Binasat.*
- (2) *Dato' Ong Choo Meng is deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HCB which in turn is the holding company of Opcom VC Sdn. Bhd., the Major Shareholder of the Company.*

*Dato' Ong Choo Meng is a Major Shareholder of HCB, HGB and Hextar Industries Berhad ("HIB").*

*Dato' Ong Choo Meng is the Executive Director and Major Shareholder of HTSB and HHSB.*

*HHSB is the ultimate holding company of HGB and HIB. HIB is the holding company of TKRSB; and*

*HTSB is the holding company of CLSSB.*

- (3) *Ong Soon Lim, is holding the directorship as Group Managing Director of Binasat, non-independent non-executive director of HCB and the uncle of Dato' Ong Choo Meng.*
- (4) *Teh Li King, is the non-independent non-executive director of both HCB and Binasat as well as the director of TKRSB. He is also deemed as a Person Connected to Dato' Ong Choo Meng as he is the Group Chief Operating Officer of HHSB Group of Companies which is the ultimate holding company of HGB. He is also a shareholder of HGB.*
- (5) *Zulamran bin Hamat is an interested Director by virtue of his directorships, shareholdings in Binasat and SNSB. Please refer to Section 2.12 of this Circular for details of his shareholding in Binasat.*

*As at the LPD, the directorship and shareholding of Zulamran bin Hamat in SNSB are as follows:*

	<b>Direct</b>		<b>Indirect</b>		<b>Directorship</b>
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>	
<i>BSB</i>	-	-	-	-	-
<i>SNSB</i>	225,000	30	-	-	√

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## **2.6 Amount due from and owing by Related Parties**

As at the LPD, there were no amounts due and owing by the Related Parties pursuant to RRPTs which exceeded the credit terms.

## **2.7 Rationale and Benefit of the RRPTs**

The RRPTs to be entered into by the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs. As such, the Board of the Binasat is seeking shareholders' mandate pursuant to Rule 10.09(2) of the Listing Requirements for the RRPTs described in Section 2.5 above to allow the Group to enter into such RRPTs. This would also reduce substantial administrative time, inconvenience and expenses of having to frequently convene separate general meetings for approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of RRPTs occurring within the Group.

The RRPTs entered by Binasat Group is synergistic to the activities of the Group and provides the Group with support to its operational and business needs at the best possible terms.

## **2.8 Review Procedures**

The following methods and procedures are in place to ensure that any transactions entered into by Binasat Group with Related Parties, which are in the ordinary course of business of Binasat Group, are undertaken on transaction prices and on an arm's length basis and on normal commercial terms consistent with the Binasat Group's usual business practices and are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our non-interested shareholders:

- (i) The Binasat Group will only enter into RRPTs after taking into account the pricing, terms and other relevant factors. Wherever practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Binasat Group based on the usual business practices of Binasat Group to ensure that the RRPTs is not detrimental to the Binasat Group.
- (ii) There are no specific thresholds for the approval of RRPTs within the Group. All RRPTs will be reviewed by the ARMC of the Company on the quarterly basis and approved by the Board with the recommendation from the ARMC prior to execution of contracts.
- (iii) All types of RRPTs are carried out at arm's length and on the Binasat Group's normal commercial terms which are not more favourable to the related parties than those generally available to the public. These include transacting at prevailing market rates/prices of the products or services provider's usual commercial terms or otherwise in accordance with applicable industry norm.

- (iv) Records of RRPTs will be maintained by the Group and will be made available to the external auditors, internal auditors and ARMC for their review.
- (v) The Board and the ARMC will review the RRPTs on a quarterly basis, to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with.
- (vi) Where any Director or person connected to him has an interest (direct or indirect) in any RRPTs, he shall abstain from deliberation and voting on the matter. The said interested Director shall undertake that he will ensure that person connected with him abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting.
- (vii) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the ARMC.

## **2.9 Abstention from Voting**

All members of the Board and ARMC who are directly and/or indirectly interested in any RRPTs shall have declared their interests in the RRPTs and abstain from deliberation and voting in respect of these transactions.

Categories of persons who will abstain from voting are as follows:-

- (a) Any interested Director(s);
- (b) Any interested Major Shareholder(s);
- (c) Any person(s) connected to the interested Director(s) or interested Major Shareholder(s); and
- (d) Any Director(s) or Major Shareholder(s) whose person(s) connected is/are interested in the RRPTs.

## **2.10 Disclosure in Annual Report**

Disclosure will be made in the annual report of the Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each of the RRPTs made and their relationship with Binasat Group.

## **2.11 Statement by the ARMC**

The ARMC has seen and reviewed the procedures as mentioned in Section 2.8 of this Circular and is of the view that the said procedures are sufficient to ensure that the RRPTs are undertaken on arm's length basis not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Binasat.

The ARMC is of the view that Binasat Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on an annual basis or whenever the need arises.

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## 2.12 Directors' and Major Shareholders' Interests

The direct and indirect interests of the interested Directors, interested Major Shareholders and interested persons connected with them as at LPD, are as follows:

	Direct Interest		Indirect Interest	
	No. of Binasat Shares	%	No. of Binasat Shares	%
<b><u>Interested Major Shareholders</u></b>				
Opcom VC Sdn. Bhd.	96,222,021	24.78	-	-
Dato' Ong Choo Meng	-	-	96,222,021 <sup>(1)</sup>	24.78
HCB	-	-	96,222,021 <sup>(2)</sup>	24.78
<b><u>Interested Directors</u></b>				
Zulamran bin Hamat	2,500,000	0.64	-	-
Ong Soon Lim	-	-	-	-
Teh Li King	-	-	-	-

Notes:

- (1) *Deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HCB which in turn is the holding company of Opcom VC Sdn. Bhd., the major shareholder of the Company.*
- (2) *Deemed interested by virtue of its shareholding in Opcom VC Sdn. Bhd. pursuant to Section 8(4) of the Act.*

Accordingly, the abovenamed Major Shareholders of the Group who are interested (directly or indirectly) in the Proposed Mandate shall abstain from voting in respect of their direct and indirect shareholdings in the Company, at the forthcoming AGM on the resolution to approve the Proposed Mandate.

The abovenamed Directors (namely, Zulamran bin Hamat, Ong Soon Lim and Teh Li King), being Directors who are interested in the Proposed Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPTs involving them as stated in the Proposed Mandate at the relevant Board Meetings and/or shall also abstain from voting in respect of their direct and indirect shareholdings in the Company, at the forthcoming AGM on the resolution to approve the Proposed Mandate.

In addition, the abovenamed interested Directors and interested Major Shareholders have undertaken to ensure that the Persons Connected with them, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, at the forthcoming AGM on the resolution to approve the Proposed Mandate involving their interests.

Save as disclosed above, none of the other Director, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Mandate.

### **2.13 Directors' Recommendation**

The Board (save for the interested Directors as set out in Section 2.12 above) having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in the best interest of the Company.

Accordingly, the Board (save for the interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at the forthcoming 7<sup>th</sup> AGM.

### **3. APPROVAL REQUIRED**

The Proposed Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming 7<sup>th</sup> AGM to be convened.

### **4. FINANCIAL EFFECTS OF THE PROPOSED MANDATE**

The Proposed Mandate is administrative in nature and will not have any material effect on the share capital, shareholdings of the substantial shareholders, earnings per share, net assets per share and gearing of Binasat Group.

### **5. ANNUAL GENERAL MEETING**

The ordinary resolution in respect of the Proposed Mandate is set out in the Notice of the 7<sup>th</sup> AGM contained in the Annual Report 2023 of the Company. The 7<sup>th</sup> AGM of 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. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification the ordinary resolution pertaining to the Proposed Mandate.

Please register online: <https://vps.megacorp.com.my/jxW0FD> or refer to the Administrative Guide to the Shareholders.

If you are unable to attend and vote in person at the AGM, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive 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, Wilayah Persekutuan or email [AGM-support.Binasat@megacorp.com.my](mailto:AGM-support.Binasat@megacorp.com.my) not less than 48 hours before the time for convening the forthcoming AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

### **6. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix A in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**BINASAT COMMUNICATIONS BERHAD**

**ONG SOON LIM**  
Group Managing Director

## FURTHER INFORMATION

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Binasat and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL CONTRACTS**

Neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular.

**3. MATERIAL LITIGATION, CLAIMS AND/OR ARBITRATION**

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

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

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

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

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

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

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

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

On 10 April 2023, the Company had entered into a consent judgement and Rosado had agreed with the settlement of RM875,000 to the Company, and the case had deemed to be concluded.

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

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

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

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

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

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

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

**FURTHER INFORMATION (Cont'd)**

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

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

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

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

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

**4 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (excluding public holidays) from the date of this Circular start up to and including the date of the forthcoming AGM of the Company:

- (a) the Constitution of Binasat;
- (b) the audited consolidated financial statements of Binasat for the past two (2) financial years/period ended 30 June 2022 and 31 December 2023 respectively; and
- (c) the relevant cause papers in relation to the material litigation, claim and arbitration as referred to in Section 3 above.

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