



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 JUNE 2011 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/06/2011 RM'000	Preceding Year Corresponding Quarter 30/06/2010 RM'000	Current Year To Date 30/06/2011 RM'000	Preceding Year Corresponding Period 30/06/2010 RM'000
Revenue	24,855	35,980	75,991	65,754
Cost of sales	(14,069)	(32,912)	(47,158)	(56,231)
Gross profit	10,786	3,068	28,833	9,523
Other income	592	406	1,247	572
Administrative expenses	(3,366)	(1,974)	(8,784)	(6,686)
Other expenses	(297)	(125)	(1,112)	(509)
Finance costs	(67)	(74)	(240)	(235)
Profit before taxation	7,648	1,301	19,944	2,665
Income tax expense	(1,646)	(158)	(4,926)	(568)
Profit for the period	6,002	1,143	15,018	2,097
Attributable to:				
Equity holders of the parent	6,002	1,143	15,018	2,097
Minority interest	-	-	-	-
	6,002	1,143	15,018	2,097
Earnings per share attributable to equity holders of the parent:				
- basic (sen)	2.88	0.62	7.59	1.17
- fully diluted (sen)	2.30	N/A	6.54	N/A
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	6,002	1,143	15,018	2,097
Total comprehensive income attributable to:				
Equity holders of the parent	6,002	1,143	15,018	2,097
Minority interest	-	-	-	-
	6,002	1,143	15,018	2,097

The Condensed Consolidated Income Statement should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2010.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL POSITION AS AT 30 JUNE 2011 (The figures have not been audited)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At End of Current Quarter 30/06/2011 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/09/2010 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	14,514	12,516
Investment Property	-	45
	14,514	12,561
CURRENT ASSETS		
Inventories held for resale	3,311	2,965
Trade receivables	19,407	10,012
Other receivables, deposit and prepayment	6,058	3,160
Amount owing by contract customers	5,897	5,683
Fixed deposits with licensed banks	23,174	18,375
Cash and bank balances	163	158
	58,010	40,353
Non-current asset classified as held for sale	415	321
TOTAL ASSETS	72,939	53,235
EQUITY AND LIABILITIES		
EQUITY		
Share capital	21,072	19,158
Share premium	2,635	1,630
Warrant reserve	503	503
Treasury Shares, at cost	(2,155)	(693)
Retained profits	24,122	9,104
SHAREHOLDERS' EQUITY	46,177	29,702
Minority Interest	107	-
TOTAL EQUITY	46,284	29,702
NON-CURRENT LIABILITIES		
Hire purchase payables	1,529	1,486
TOTAL NON-CURRENT LIABILITIES	1,529	1,486
CURRENT LIABILITIES		
Trade payables	2,207	3,512
Amount owing to contract customers	15,347	11,451
Other payables and accruals	1,156	3,039
Provision for taxation	4,759	2,457
Bank overdraft	1,169	847
Short term borrowings	488	741
TOTAL CURRENT LIABILITIES	25,126	22,047
TOTAL LIABILITIES	26,655	23,533
TOTAL EQUITY AND LIABILITIES	72,939	53,235
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (sen)		
	22.44	15.89

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2010.



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 JUNE 2011 (The figures have not been audited)

	← Non-Distributable Reserve →					→ Distributable Reserve ←		Minority Interest	Total Equity
	Share Capital	Share Premium	Warrant Reserve	Treasury Shares	Translation Reserve	Reserve Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2010	19,158	1,630	503	(693)	-	9,104	29,702	-	29,702
Net Profit for the period	-	-	-	-	-	15,018	15,018	-	15,018
Resold -treasury share	-	(52)	-	667	-	-	615	-	615
Share Repurchased	-	-	-	(2,129)	-	-	(2,129)	-	(2,129)
Ordinary shares allotted	1,914	1,057	-	-	-	-	2,971	-	2,971
Minority subscription (net)	-	-	-	-	-	-	-	107	107
At 30 June 2011	21,072	2,635	503	(2,155)	-	24,122	46,177	107	46,284
At 1 October 2009 (as restated)	19,158	1,630	503	(2,014)	-	7,466	26,743	-	26,743
Net Profit for the period	-	-	-	-	-	2,097	2,097	-	2,097
Share Dividend	-	-	-	1,320	-	(1,320)	-	-	-
Interim Dividend	-	-	-	-	-	(1,335)	(1,335)	-	(1,335)
At 30 June 2010	19,158	1,630	503	(694)	-	6,908	27,505	-	27,505

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2010.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE CUMULATIVE QUARTER ENDED 30 JUNE 2011 (The figures have not been audited)

	30/06/2011 RM'000	30/06/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,944	2,665
Adjustments for:-		
Non cash items	1,420	509
Non operating items	(694)	(307)
Operating profit before working capital changes	20,670	2,867
Net changes in current assets	(12,902)	(888)
Net changes in current liabilities	1,158	14,867
Cash from operations	8,926	16,846
Interest paid	(103)	(91)
Income tax paid	(2,623)	(291)
Net cash from operating activities	6,200	16,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	423	201
Purchase of property, plant and equipment	(3,110)	(1,782)
Proceeds from disposal of equipment	-	203
Net cash for investing activities	(2,687)	(1,378)
CASH FLOWS FOR FINANCING ACTIVITIES		
Net proceed from issuance of ordinary shares	2,970	-
Net repurchased and resold of treasury shares	(1,461)	-
Minority Interest subscription	120	-
Payment of cash dividend	-	(1,335)
Decrease in bills payable	(354)	(109)
Repayment of hire purchase obligations	(306)	(153)
Net cash from/ (for) financing activities	969	(1,597)
Net increase in cash and cash equivalents	4,482	13,489
Cash and cash equivalents at beginning of the period	17,686	9,577
Cash and cash equivalents at end of the period	22,168	23,066
Note:		
Cash and cash equivalents comprise of:		
Fixed deposits with licensed bank		
- available	21,475	16,470
- restricted	1,699	6,757
Cash and bank balances	163	84
Bank overdraft	(1,169)	(245)
	22,168	23,066

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2010.



UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2011

A. EXPLANATORY NOTES AS PER FRS 134

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (FRS) 134 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the Group’s annual financial report for the financial year ended 30 September 2010.

A2. Changes in Accounting Policies

The accounting policies adopted by Digistar Corporation Berhad (“Digistar”) and its subsidiary companies (“Group”) in the interim financial report are consistent with those adopted for the financial statements for the financial year ended 30 September 2010, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs, Interpretations and Technical releases which were effective in the current periods ended 31 March 2011:

- ✓ FRS 139 Financial Instruments: Recognition and Measurement
- ✓ Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- ✓ Amendments to FRS 2: Vesting Conditions and Cancellations
- ✓ Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)
- ✓ Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary
- ✓ Amendments to FRS 7, FRS 139 and IC Interpretation 9
- ✓ Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation
- ✓ Amendments to FRS 117: Leases
- ✓ Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments
- ✓ Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)
- ✓ IC Interpretation 9 Reassessment of Embedded Derivatives
- ✓ IC Interpretation 10 Interim Financial Reporting and Impairment
- ✓ IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- ✓ IC Interpretation 12 Service Concession Arrangements
- ✓ IC Interpretation 13 Customer Loyalty Programmes
- ✓ IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- ✓ IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- ✓ IC Interpretation 17 Distributions of Non-cash Assets to Owners
- ✓ Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

Unless otherwise described below, the new FRSs, Amendments to FRS, Interpretations and Technical Releases above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of all the above FRSs, Amendments to FRSs, Interpretations and Technical Releases.



A2. Changes in Accounting Policies (Cont'd)

(a) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now only include details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income.

The standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present in two linked statements. In addition, the adoption of the standards has resulted in consolidated balance sheet now renamed as consolidated statement of financial position.

There is no impact on the results of the Group since these changes affects only the presentation of items of income and expenses.

(b) Amendments to FRS 117: Leases

The Amendments clarifies the classification of lease of land and requires entities with leases of land to reassess the classification of leasehold land as finance lease or operating lease based on the extend of risks and rewards associated with the land. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this Amendment has resulted in a change in accounting policy which is applied retrospectively in accordance with the transitional provisions.

The Company has reclassified the existing leasehold land to property, plant and equipment, with no impact on reported profit or equity. However, as a result of the adoption of the Amendments, comparative balances as at 30 September 2010 has been restated as follows:

	As at 30.9.2010 RM'000	Reclassification RM'000	As restated RM'000
Prepaid land lease payments	2,585	(2,585)	Nil
Property, plant and equipment	9,931	2,585	12,516

(c) FRS 139: Financial Instruments - Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the reporting date reflects the designation of the financial instruments.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale ("AFS") financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include trade and other receivables, short term investments and investments available-for-sale.



A2. Changes in Accounting Policies (Cont'd)

(i) Financial, trade and other receivables

Prior to the adoption of FRS 139, financial, trade and other receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, these receivables are initially measured at fair value plus transaction costs and subsequently at amortised cost using effective interest rate (EIR) method. Gain and losses arising from the derecognition of the receivables, EIR amortisation and impairment losses are recognised in the income statement

(ii) Investment available-for-sale

Prior to the adoption of FRS 139, non-current investments were accounted for at cost less impairment loss (if any). Under FRS 139, investments available-for-sale is measured at fair value.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair values through profit or loss, loan and borrowings at amortised cost, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Group's financial liabilities include trade and other payables and borrowings.

Under FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using EIR method.

Financial Impact

In accordance with the transitional provisions for first time adoption of FRS 139, the above changes are applied prospectively and the comparatives as at 30 September 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the statement of changes in financial position as at 1 October 2010.

	As previously reported RM'000	Effects of adoption of FRS 139 RM'000	As restated RM'000
Property, plant and equipment	12,516	(179)	12,337
Financial receivables	13,172	(645)	12,527
Financial payables	8,657	(323)	8,334
Investment property	45	(45)	Nil
Non-current asset classified as held for sale	321	224	545

Other than the adjustments made to the opening balances shown above, the adoption of FRS 139 has no significant impact to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.



A3. Seasonal or Cyclical Factors

Save as disclosed in Note B1 and B2, the results of the Group were not materially affected by any significant seasonal or cyclical factors during the quarter under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A5. Material Changes in Estimates

Save as disclosed below, there were no changes in estimates of amounts reported in prior interim periods, which have a material effect in the current quarter under review.

The Group has revised the depreciation charge for its equipment and fittings based on a reassessment of the useful lives of the assets. The effect of this revision have resulted an increase in the depreciation charge as at 30 June 2011 approximate to RM0.32 million.

A6. Debts and Equity Securities

Save as disclosed in Note B8 and below, there was no repurchase and repayment of debt and equity securities, for the current period and financial period-to-date.

There were no treasury shares cancelled by the Company in the current financial quarter. As at 30 June 2011, the number of treasury shares resold and repurchased were as follow:

	Price per share (RM)	Number of shares	30/06/2011 RM'000
Balance as at 1 October 2010		4,674,408	693
Resold- January 2011	0.14	(4,499,500)	(667)
Repurchased	0.45	4,747,600	2,129
Total treasury shares held		<u>4,922,508</u>	<u>2,155</u>

- A total of 4,499,500 ordinary shares of the Company was resold in open market for a total value of RM667,445 in the preceding quarter.
- A total of 4,747,600 ordinary shares of the Company were repurchased from the open market for a total consideration of RM 2,128,735 in the current financial quarter. For the financial period to date, there is a total of 4,747,600 ordinary shares of the Company were repurchased with a total consideration of RM 2,128,735. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares. As at 30 June 2011, the number of treasury shares held was 4,922,508 ordinary shares.

A7. Dividend Paid

No dividend was paid during the quarter under review.



A8. Segmental Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Preceding		Preceding	
	Year		Year	
	Current Year	Corresponding	Current Year	Corresponding
Quarter	Quarter	To Date	Period	
30/06/2011	30/06/2010	30/06/2011	30/06/2010	
RM '000	RM '000	RM '000	RM '000	
REVENUE BY ACTIVITIES				
System integration	20,539	31,898	65,269	56,644
Maintenance income	338	1,037	1,669	2,547
Sales of goods	3,608	2,727	7,971	5,694
Rental income	370	318	1,082	869
Total	24,855	35,980	75,991	65,754

A9. Material Events Subsequent to the End of the Quarter

There were no material events subsequent to the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Company (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review and financial period to-date except for:-

- The acquisition of a new subsidiary through subscription of 150,000 new ordinary shares of RM1.00 each representing 60% of the issued and fully paid-up share capital of Seni Pujaan Sdn. Bhd. for a total cash consideration of RM150,000.00 on 4 May 2011.
- Additional subscription of 29,940 new ordinary shares of RM1.00 each of the issued and fully paid-up share capital of Digistar Vision Sdn. Bhd., a 60% owned subsidiary, for a total cash consideration of RM29,940.00 on 27 May 2011.

A11. Contingent Liabilities

Save as disclosed in below, there were no material contingent liabilities up to the date of this report (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Corporate guarantee granted to a subsidiary:	As at 30/06/2011 RM'000
Guarantee given to financial institutions for facilities (secured)	11,729
Guarantee given to customer for due performance	50
Total	<u>11,779</u>

A12. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.



B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1. Review of the Performance

The Group registered a revenue and profit before taxation of RM24.85 million and RM7.65 million respectively for the third quarter ended 30 June 2011 as compared to a revenue and profit before taxation of RM35.98 million and RM1.30 million in the preceding year corresponding quarter. The increase in the preceding year corresponding quarter revenue was mainly due to deliver of fast-track in system integration and broadcast engineering projects, while increase in the current quarter profit before tax was due to better profit margin in certain projects delivered and certified.

The Group registered a revenue and profit before taxation of RM75.99 million and RM19.94 million respectively for the cumulative quarters ended 30 June 2011 as compared to a revenue and profit before tax of RM65.75 million and RM2.66 million in the preceding year corresponding cumulative quarters. The increase in the current cumulative quarter revenue and profit before taxation was mainly due to the overall increase in delivery and certification of workdone in system integration and broadcast engineering projects with better profit margin.

Save as disclosed above, there are no material factors which have affected the earnings and revenue of the Group for the current quarter and financial period to date.

B2. Comparison with Preceding Quarter's Results

	Current Quarter Ended 30/06/2011 RM'000	Preceding Quarter Ended 31/03/2011 RM'000	Difference	
			RM'000	%
Revenue	24,855	23,569	1,286	5.46
Profit before taxation	<u>7,648</u>	<u>6,118</u>	<u>1,530</u>	<u>25.01</u>

The Group's revenue and profit before taxation registered an increase of 5.46 % and 25.01% as compared to the preceding quarter. The increase in current quarter's revenue and profit before taxation was mainly due to timing differences of delivery in system integration and broadcast engineering projects with better profit margin.

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B3. Prospects for the Financial Year Ending 30 September 2011

The Malaysian economy registered a growth of 4.4% in the second quarter of 2011, driven by firm domestic demand. The strong expansion in domestic demand was supported mainly by private sector spending. External demand registered an improved performance during the quarter supported by regional demand for commodities and non-E&E products. On the supply side, all major economic sectors, except for the primary sectors, continued to expand during the quarter, but at a more moderate pace.

Domestic demand expanded by 5.2% in the second quarter (4Q 10: 5.9%), supported mainly by the expansion in private sector spending and public consumption.

Private consumption expanded by 6.4% in the second quarter (4Q 10: 6.4%), supported by sustained labour market conditions, positive consumer sentiments and continued income expansion. Consumer spending was also boosted by the sales promotions held in the early part of the quarter. Major consumption indicators such as sales of passenger cars, credit card spending and bank lending for consumption continued to show strong positive trend, reflecting robust consumption activity during the quarter. Although the second quarter Malaysian Institute of Economic Research Consumer Sentiments Index was lower at 107.9 points (4Q 10: 117.2 points), it remained above the 100-point benchmark, reflecting sustained positive consumer confidence.

(Source: Developments in the Malaysian Economy, Bank Negara Quarterly Bulletin, First Quarter 2011)

The Malaysian economy is projected to grow by 5-6% in 2011. Growth is likely to improve during the course of the year with better growth performance in the second half of the year. The growth momentum will be underpinned by strong domestic demand, emanating primarily from private sector activity. Private consumption will be supported by favourable labour market conditions, higher disposal incomes, sustained consumer confidence and ready access to financing. The projected growth of the Malaysian economy is based on the expectation of moderate growth in advanced economics and a return to more normal growth rates by the Asian economies.

Using this data, MIER maintains 2011 economic growth of 5.2%.

Information and communication technology (“ICT”) is a key driver to promote higher value-added sources of growth. Greater use of ICT will not only support growth but also improve productivity and competitiveness. Recognising this, the Government continues to facilitate the development of the ICT industry through various initiatives such as upgrading information technology (“IT”) infrastructures and networks, increasing IT utilisation across economic sectors and providing incentives. The industry is expected to gain greater growth momentum through projects under the NKEAs.

In the broadcasting industry, the subscription-based satellite television, Astro All Asia Networks (ASTRO), has 3.0 million subscribers translating to a household penetration rate of 49.2% as at end-June 2010 (end-June 2009: 2.8 million; 44.9%). This was largely due to enhanced demand for diverse content, strategic marketing campaigns as well as increased subscriptions to sports packages in conjunction with various sports events. The performance of broadcasting industry is expected to remain upbeat in 2010 with the offerings of High-Definition Television (HDTV) and Internet Protocol Television (IPTV) services.

(Source: Economic Report 2010/2011, Ministry of Finance)



B3. Prospects for the Financial Year Ending 30 September 2011 (Cont'd)

Outlook for the communication sub-sector is expected to remain robust. The telecommunication industry would be driven by the non-voice segment, as demand for mobile data is expected to benefit from the rising popularity and affordability of smartphones amid a proliferation of new device and intensified competition among service providers. Growth will be further supported by wider roll-out of high-speed broadband, wireless broadband services and continuous initiatives by the Government to promote the adoption of broadband services in rural areas.

(Source: Bank Negara Malaysia Annual Report, 2010)

Prospects of the Group

Digistar Group is principally involved in the design, supply, installation and integration of information technology infrastructure, tele-conferencing, local area networks, interactive media management systems, radio and television news automation, telecommunication systems, integrated audio and visual systems and other related electronic systems. Currently, Digistar Group only has operations in Malaysia.

For the nine (9) month period ended 30 June 2011, the Company registered revenue of approximately RM75.91 million, out of which approximately 47.8% relates to projects involving system integration for new buildings. As a substantial portion of Digistar's revenue is closely linked to the construction industry and given the positive outlook of the construction industry as mentioned above, the management of Digistar anticipates wider business opportunities for its system integration segment through projects involving the installation and integration of information technology infrastructure.

Television networks and production facilities in the Asia-Pacific region are increasingly making the transition from analogue to digital television broadcasting. With the introduction of digitalisation, most of the broadcasters are working towards having their broadcast stations equipped with the necessary technology. This gives ample continuous opportunities for the Company to offer its broadcast system integration services to broadcasters in this region.

In light of the projected growth of the economy as highlighted in the previous sections, the management of Digistar believes that the prospects of Digistar Group would be favourable for the current year.

B4. Profit Forecast, Profit Guarantee and Internal Targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcements made.

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B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/06/2011 RM'000	Preceding Year Corresponding Quarter 30/06/2010 RM'000	Current Year To Date 30/06/2011 RM'000	Preceding Year Corresponding Period 30/06/2010 RM'000
Tax payable for the period	1,646	158	4,926	568

The effective tax rate of the Group for the financial period-to-date and the current quarter is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

B6. Profit/ (Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties for the current quarter and financial period-to-date.

B7. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter. The Company/ Group have not held any quoted securities (other than the Company's own shares) as at 30 June 2011.

B8. Status of Corporate Proposals

Proposed Private Placement

Save as disclosed in below, there was no corporate proposals announced but not completed as at 17 August 2011 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

On behalf of the Board of Directors, Hwang-DBS Securities Berhad announced on 4 August 2011 that the Board has proposed a Bumiputra private placement of up to Ten percent (10%) of the issued and paid up ordinary share of RM0.10 each in Digistar ("Digistar Shares") with approval and adoption by the Extraordinary General Meeting dated on 19 August 2011.

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B9. Group Borrowings and Debt Securities

The Group's borrowings (which are all denominated in Ringgit Malaysia) as at 30 June 2011 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	1,169	-	1,169
Trust receipts and bankers acceptance	-	-	-
Hire purchase liabilities	488	1,529	2,017
Total	<u>1,657</u>	<u>1,529</u>	<u>3,186</u>

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks as of to date of this report.

B11. Material Litigation

Save as disclosed in below, the Company and/or its subsidiaries are not engaged in any material litigation which may materially or adversely affect the financial position or business of the Digistar Group.

A wholly-owned subsidiary of the Company, Digistar Holdings Sdn. Bhd. ("DHSB") had through its Solicitors filed Writ of Summons and Statement of Claim at the Kuala Lumpur High Court ("the Court") against the following defendants for the system integration works done with total outstanding amounts of RM4.5 million (of which such amounts have been provided in prior years Financial Statement as debts provision):-

- Metronic Engineering Sdn. Bhd. ("MESB")
- Waterside IT Solutions Sdn. Bhd. ("WITSSB")
- MH Projects Sdn. Bhd. ("MHPSB")

The Court is fixing dates for mention on the above cases, and DHSB is seeking for judgement on the followings:

- The outstanding amounts;
- Interest on the above sum at a rate of 8%;
- Cost; and
- Other reliefs as the Court deems fit.

B12. Dividends

There was no interim dividend proposed by the Board of Directors for the current financial period under review.



B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/06/2011	Preceding Year Corresponding Quarter 30/06/2010	Current Year To Date 30/06/2011	Preceding Year Corresponding Period 30/06/2010
(a) Basic Earnings Per Share				
Net profit attributable to members of the Company (RM'000)	6,002	1,143	15,018	2,097
Weighted average number of ordinary shares in issue	208,563,329	183,580,858	197,757,683	179,864,253
Basic earnings per share (sen)	2.88	0.62	7.59	1.17
(b) Diluted Earnings Per Share				
Adjusted net profit attributable to members of the Company (RM'000)	6,088	1,143	15,276	2,097
Weighted average number of ordinary shares in issue	208,563,329	183,580,858	197,757,683	179,864,253
Adjustment for assumed exercise of Warrants	56,666,305	-	35,903,345	-
Adjusted weighted average number of ordinary shares in issue and issuable	265,229,634	183,580,858	233,661,028	179,864,253
Diluted earnings per share (sen)	2.30	N/A	6.54	N/A

B14. Qualification of Financial Statements

The audit report of the preceding financial statements for the financial year ended 30 September 2010 was not subject to any audit qualification.

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B15. Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits/ (accumulated losses) is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 30-Jun-11 RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	27,819
- Unrealised	-
	<u>27,819</u>
Total share of retained profit from associate	-
Total share of retained profit from jointly controlled entity	-
	<u>27,819</u>
Less: Consolidation adjustments	(3,697)
Total group retained profits as per consolidated financial statements	<u>24,122</u>

B16. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 August 2011.

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