



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To Date 30/09/2011 RM'000	Preceding Year Corresponding Period 30/09/2010 RM'000
Revenue	21,837	24,205	97,828	73,288
Cost of sales	(11,599)	(12,938)	(58,757)	(52,498)
Gross profit	10,238	11,267	39,071	20,790
Other income	434	2,333	1,681	2,905
Administrative expenses	(3,104)	(5,081)	(11,885)	(11,767)
Other expenses	(1,444)	(3,837)	(2,558)	(4,346)
Finance costs	(71)	(105)	(311)	(340)
Profit before taxation	6,053	4,577	25,998	7,242
Income tax expense	(2,015)	(2,380)	(6,942)	(2,948)
Profit for the period	4,038	2,197	19,056	4,294
Attributable to:				
Equity holders of the parent	4,117	2,197	19,135	4,294
Minority interest	(79)	-	(79)	-
	4,038	2,197	19,056	4,294
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	4,038	2,197	19,056	4,294
Total comprehensive income attributable to:				
Equity holders of the parent	4,117	2,197	19,135	4,294
Minority interest	(79)	-	(79)	-
	4,038	2,197	19,056	4,294
Earnings per share attributable to equity holders of the parent:				
- basic (sen)	1.92	1.18	9.48	2.36
- fully diluted (sen)	1.55	N/A	7.96	N/A

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 SEPTEMBER 2011 (The figures have not been audited)

CONDENSED CONSOLIDATED FINANCIAL POSITION

	As At End of Current Quarter 30/09/2011 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/09/2010 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	14,370	12,516
Investment Property	-	45
	14,370	12,561
CURRENT ASSETS		
Inventories held for resale	2,719	2,965
Trade receivables	13,720	10,012
Other receivables, deposit and prepayment	6,491	3,160
Amount owing by contract customers	1,580	5,683
Fixed deposits with licensed banks	28,753	18,375
Cash and bank balances	914	158
	54,177	40,353
Non-current asset classified as held for sale	446	321
TOTAL ASSETS	68,993	53,235
EQUITY AND LIABILITIES		
EQUITY		
Share capital	23,172	19,158
Share premium	8,399	1,630
Warrant reserve	503	503
Treasury Shares, at cost	(2,301)	(693)
Retained profits	27,789	9,104
SHAREHOLDERS' EQUITY	57,562	29,702
Minority Interest	(52)	-
TOTAL EQUITY	57,510	29,702
NON-CURRENT LIABILITIES		
Hire purchase payables	1,403	1,486
TOTAL NON-CURRENT LIABILITIES	1,403	1,486
CURRENT LIABILITIES		
Trade payables	4,897	3,512
Amount owing to contract customers	-	11,451
Other payables and accruals	1,213	3,039
Provision for taxation	3,385	2,457
Bank overdraft	90	847
Short term borrowings	495	741
TOTAL CURRENT LIABILITIES	10,080	22,047
TOTAL LIABILITIES	11,483	23,533
TOTAL EQUITY AND LIABILITIES	68,993	53,235
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (sen)		
	25.42	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.



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

	← Non-Distributable Reserve →			→ Distributable Reserve		Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Warrant Reserve	Treasury Shares	Retained Profits			
	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	-	-	-	-	19,056	19,056	-	19,056
Resold -treasury share	-	(52)	-	667		615	-	615
Share Repurchased				(2,275)		(2,275)		(2,275)
Ordinary shares allotted	4,014	6,821	-	-	-	10,835	-	10,835
Effects of adopting FRS 139	-	-	-	-	(529)	(529)	-	(529)
Minority interest	-	-	-	-	158	158	(52)	106
At 30 September 2011	23,172	8,399	503	(2,301)	27,789	57,562	(52)	57,510
At 1 October 2009 (as restated)	19,158	1,630	503	(2,014)	7,466	26,743	-	26,743
Net Profit for the period	-	-	-		4,294	4,294	-	4,294
Share Dividend				1,320	(1,320)	-		
Interim Dividend	-	-	-	-	(1,335)	(1,335)	-	(1,335)
At 30 September 2010	19,158	1,630	503	(694)	9,105	29,702	-	29,702

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 SEPTEMBER 2011 (The figures have not been audited)

	30/09/2011 RM'000	30/09/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,998	7,242
Adjustments for:-		
Non cash items	3,029	4,436
Non operating items	(1,089)	(2,590)
	<hr/>	<hr/>
Operating profit before working capital changes	27,938	9,088
Net changes in current assets	(4,052)	3,042
Net changes in current liabilities	(11,442)	2,376
	<hr/>	<hr/>
Cash from operations	12,444	14,506
Interest paid	(137)	(107)
Income tax paid	(6,013)	(761)
	<hr/>	<hr/>
Net cash from operating activities	6,294	13,638
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	610	321
Dividend received	-	22
Purchase of property, plant and equipment	(3,734)	(4,525)
Proceeds from disposal of equipment	325	328
	<hr/>	<hr/>
Net cash for investing activities	(2,799)	(3,854)
	<hr/>	<hr/>
CASH FLOWS FOR FINANCING ACTIVITIES		
Net proceed from issuance of ordinary shares	10,783	-
Net repurchased and resold of treasury shares	(1,608)	-
Payment of cash dividend	-	(1,335)
Decrease in bills payable	(354)	(109)
Repayment of hire purchase obligations	(425)	(231)
	<hr/>	<hr/>
Net cash from/ (for) financing activities	8,396	(1,675)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	11,891	8,109
Cash and cash equivalents at beginning of the period	17,686	9,577
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	29,577	17,686
	<hr/>	<hr/>
Note:		
Cash and cash equivalents comprise of:		
Fixed deposits with licensed bank		
- available	26,951	8,600
- restricted	1,802	9,775
Cash and bank balances	914	158
Bank overdraft	(90)	(847)
	<hr/>	<hr/>
	29,577	17,686
	<hr/>	<hr/>

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 SEPTEMBER 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 30 September 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	(529)	12,643
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 September 2011 approximate to RM0.42 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 September 2011, the number of treasury shares resold and repurchased were as follow:

	Price per share (RM)	Number of shares	30/09/2011 RM'000
Balance as at 1 October 2010		4,674,408	693
Resold- January 2011	0.14	(4,499,500)	(667)
Repurchased	0.45	<u>5,067,200</u>	<u>2,275</u>
Total treasury shares held		<u>5,242,108</u>	<u>2,301</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 319,600 ordinary shares of the Company were repurchased from the open market for a total consideration of RM 146,044 in the current financial quarter. For the financial period to date, there is a total of 5,067,200 ordinary shares of the Company were repurchased with a total consideration of RM 2,274,779. The share buy-back transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares. As at 30 September 2011, the number of treasury shares held was 5,242,108 ordinary shares.

A7. Dividend Paid

No dividend was paid during the quarter under review.



A8. Segmental Information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To Date 30/09/2011 RM'000	Preceding Year Corresponding Period 30/09/2010 RM'000
REVENUE BY ACTIVITIES				
System integration	20,432	21,289	85,701	61,262
Maintenance income	445	2,133	2,114	4,680
Sales of goods	559	414	8,530	6,108
Rental income	401	347	1,483	1,216
Dividend Income	-	22	-	22
Total	21,837	24,205	97,828	73,288

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) except for the disposal of entire 60% interest in Digistar Vision Sdn.Bhd. for a total cash consideration of RM30,000 on 24 October 2011.

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.

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).

	As at 30/09/2011 RM'000
Corporate guarantee granted to a subsidiary:	
Guarantee given to financial institutions for facilities (secured)	10,450
Guarantee given to customer for due performance	6,050
Total	16,500

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 of RM21.83 million for the fourth quarter ended 30 September 2011 as compared to RM24.20 million in the preceding year corresponding quarter, the increase in the preceding year corresponding quarter was mainly due to deliver of fast-track in system integration and broadcast engineering projects, while the profit before taxation of RM6.05 million in the current quarter as compared to RM 4.58 million in the preceding year corresponding quarter, was due to better profit margin in certain projects delivered and certified.

The Group registered a strong revenue of RM97.83 million for the cumulative quarters ended 30 September 2011 as compared to RM73.29 million in the preceding year corresponding cumulative quarter, this represents 33% improvement for revenue, while the profit before taxation of RM26.0 million in the current cumulative quarter as compared to RM 7.24 million in the preceding year corresponding cumulative quarter, this represents an 259% strong improvement for profit before taxation, was mainly due to the overall increase in delivery and certification of workdone in system integration and broadcast engineering project 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 30/09/2011 RM'000	Preceding Quarter Ended 30/06/2011 RM'000	Difference	
			RM'000	%
Revenue	21,837	24,855	(3,018)	(12.14)
Profit before taxation	6,053	7,648	(1,595)	(20.86)

The Group's revenue and profit before taxation registered a decrease of 12.14 % and 20.86% as compared to the preceding quarter. The increase in the preceding quarter revenue and profit before taxation was mainly due to timing differences of delivery in system integration and broadcast engineering projects with better profit margin.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



B3. Prospects for the Financial Year Ending 30 September 2011

The Malaysian economy registered a growth of 5.8% in the third 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 9.0% (4Q 10: 5.9%), supported mainly by the expansion in private sector spending and higher public sector expenditure.

Private consumption increased by 7.3% in the third 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 108.7 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)

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 2011 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 year ended 30 September 2011, the Company registered a strong revenue of approximately RM97.83 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 next coming financial 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.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To Date 30/09/2011 RM'000	Preceding Year Corresponding Period 30/09/2010 RM'000
Tax payable for the period	2,015	2,380	7,586	2,948
Over provision for taxation in prior year	-	-	(644)	-
	<u>2,015</u>	<u>2,380</u>	<u>6,942</u>	<u>2,948</u>

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 September 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 23 November 2011 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Further to the Company's 3rd quarterly report, on behalf of the Board of Directors, Hwang-DBS Securities Berhad announced on 19 August 2011 that the Board has fixed an issue price for the 1st tranche of ordinary shares of RM0.10 each in Digistar ("Digistar Shares") to be issued pursuant to the Proposed Private Placement at RM0.38 per share.

The issue price of RM0.38 per share represents a discount of approximately 13.6% over the five (5)-day weighted average market price of Digistar Shares up to and including 18 August 2011, being the date immediately prior to the price-fixing date, of RM0.44 per share.

On 26 August 2011, 21,000,000 new ordinary shares of RM0.10 each were allotted by the Company at a price of RM0.38 per share to certain identified investors, pursuant to the Company's private placement exercise.



B8. Status of Corporate Proposals (Cont'd)

As of 30 September 2011, the Company has utilised the proceeds raised of RM7.98 million as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000
Working Capital	7,850	7,850	Nil
Defraying of expenses incidental to the Placement	130	130	Nil
Total	<u>7,980</u>	<u>7,980</u>	<u>Nil</u>

B9. Group Borrowings and Debt Securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	90	-	90
Trust receipts and bankers acceptance	-	-	-
Hire purchase liabilities	495	1,403	1,898
Total	<u>585</u>	<u>1,403</u>	<u>1,988</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 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report), 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. Kuala Lumpur High Court of Malaya Civil Suit No. 22NCVC-656-2011

On 29 July 2011, a wholly-owned subsidiary of the Company, Digistar Holdings Sdn Bhd ("DHSB") had through its Solicitors filed a writ of summons and statement of claim, against M H Projects Sdn. Bhd. ("MHP") at Kuala Lumpur High Court of Malaya ("the Court") for the claims of total outstanding amount RM 428,814.

DHSB had obtained a Default Judgement from the Court on 22 August 2011.



B11. Material Litigation (Cont'd)

b. Kuala Lumpur High Court of Malaya Civil Suit No. 22NCVC-881-2011

On 3 August 2011, DHSB had through its Solicitors filed a writ of summon and statement of claim, against Metronic Engineering Sdn. Bhd. ("MESB") at Shah Alam High Court ("the Court") for the claims of total outstanding amount RM 1,648,317.

The Court has fixed the civil suit for case management on 23 November 2011.

c. Kuala Lumpur High Court of Malaya Civil Suit No. 22NCVC-655-2011

On 29 July 2011, a wholly-owned subsidiary of the Company, DHSB had through its Solicitors filed a writ of summon and statement of claim, against Waterside IT Solutions Sdn. Bhd. ("WITs") at Kuala Lumpur High Court of Malaya ("the Court") for the claims of total outstanding amount RM 2,456,886.

The Court has fixed the civil suit for case management on 30 November 2011.

There is no major financial impact of the legal proceedings on the Company as the debts were fully provided in the accounts.

B12. Dividends

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



B13. Earnings Per Share

	Current Year Quarter 30/09/2011	Corresponding Quarter 30/09/2010	Current Year To Date 30/09/2011	Corresponding Period 30/09/2010
(a) Basic Earnings Per Share				
Net profit attributable to members of the Company (RM'000)	4,117	2,197	19,135	4,294
Weighted average number of ordinary shares in issue	214,214,985	186,906,242	201,905,825	181,639,220
Basic earnings per share (sen)	1.92	1.18	9.48	2.36
(b) Diluted Earnings Per Share				
Adjusted net profit attributable to members of the Company (RM'000)	4,203	2,197	19,479	4,294
Weighted average number of ordinary shares in issue	214,214,985	186,906,242	201,905,825	181,639,220
Adjustment for assumed exercise of Warrants	56,275,203	-	42,870,496	-
Adjusted weighted average number of ordinary shares in issue and issuable	270,490,189	186,906,242	244,776,321	181,639,220
Diluted earnings per share (sen)	1.55	N/A	7.96	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.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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-Sep-11 RM'000
Total retained profits of the Company and its subsidiaries	
- Realised	37,781
- Unrealised	-
	<u>37,781</u>
Total share of retained profit from associate	-
Total share of retained profit from jointly controlled entity	-
	<u>37,781</u>
Less: Consolidation adjustments	<u>(9,992)</u>
Total group retained profits as per consolidated financial statements	<u>27,789</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 29 November 2011.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK