



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

A8. Segmental Information

Segment information for the cumulative period is presented in respect of the Group's business segments as follows:

Results for the period ended 31 December 2018

31-Dec-2018 RM'000 The Group	System	Investment	Security	Rental	Property	Construction /	Hospitality	Elimination	Group
	Integration	Holding			Development	Concession			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE									
External revenue	295	260	559	221	112	7,263	4,393	-	13,103
Intersegment revenue	-	-	339	87	-	-	-	(426)	-
Total revenue	295	260	898	308	112	7,263	4,393	(426)	13,103
RESULTS									
Segment results (external)	(333)	(57)	(463)	(161)	(22)	5,484	(11)	-	4,437
Interest income									947
Finance costs									(4,763)
Share of results in associate									-
Profit from ordinary activities before taxation									621
Income tax expense									(69)
Profit after taxation									552
Non-controlling interest									(779)
Net loss attributable to the owners of the Company									(227)

Results for the period ended 31 December 2017

31-Dec-2017 RM'000 The Group	System	Investment	Security	Rental	Property	Construction /	Hospitality	Elimination	Group
	Integration	Holding			Development	Concession			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE									
External revenue	1,463	60	1,053	349	389	7,323	4,655	-	15,292
Intersegment revenue	-	-	-	-	-	-	-	-	-
Total revenue	1,463	60	1,053	349	389	7,323	4,655	-	15,292
RESULTS									
Segment results (external)	(3,732)	14	807	(35)	44	5,822	1,092	-	4,012
Interest income									735
Finance costs									(3,909)
Share of results in associate									483
Profit from ordinary activities before taxation									1,321
Income tax expense									(89)
Profit after taxation									1,232
Non-controlling interest									(545)
Net profit attributable to the owners of the Company									687



A9. Material Events Subsequent to the End of the Quarter

There were no material event 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.

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 27/2/2019
Contingent Liabilities :	RM
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	-
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	527,265
Total	<u>527,265</u>

A12. Significant Related Party Transactions

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

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1. Review of the Performance

For the quarter ended 31 December 2018, the Group registered revenue of RM13.1 million as compared to RM15.29 million for the quarter ended 31 December 2017.

The Group registered profit of RM0.6 million for the quarter ended 31 December 2018 as compared to profit before taxation of RM1.3 million for the quarter ended 31 December 2017.

The business segment in the system integration (which including maintenance and trading) generated revenue of RM0.3 million for 3 months ended 31 December 2018, which was approximately 2.3% of the total Group revenue. This segment shown decrease in revenue of RM1.2 million from RM1.5 million posted in same period of preceding year. The decrease in the revenue was mainly due to completion of the existing projects. This segment registered loss before taxation of RM0.3 million for 3 months ended 31 December 2018 as compared to loss of RM3.7 million in the same period of preceding year due to lower direct cost, rationalisation of expenses and write back of provision no longer required.

The security sector has contributed RM0.6 million in revenue and registered loss before taxation of RM0.5 million for 3 months ended 31 December 2018 as compared to revenue of RM1.0 million and profit before tax of RM0.8 million in the same period of preceding year. The segment contributed 4.3% of the total Group revenue.

The construction / concession sector generated revenue of RM7.3 million for 3 months ended 31 December 2018 which is approximately 55.4% contribution to the total Group revenue. This segment has achieved profit of RM5.5 million. In the same period of preceding year, the sector generated revenue of RM7.3 million and achieved profit of RM 5.8 million.

The hospitality sector has contributed RM4.4 million in revenue and registered loss before taxation of RM0.01 million for 3 months ended 31 December 2018 as compared to revenue of RM4.7 million and profit before tax of RM1.1 million in the same period of preceding year. The segment contributed 33.5% of the total Group revenue.



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B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 31/12/2018 RM'000	Preceding Quarter Ended 30/09/2018 RM'000
Revenue	13,103	14,506
Profit / (loss) before taxation	<u>621</u>	<u>(8,899)</u>

B3. Prospects

Despite the challenging business environment taking into account the political and economic conditions in the country, with the on-going efforts by the Group to increase the revenue and implement cost control initiatives, the Board expects the Group's performance in 2019 to remain positive.

B4. Profit Forecast, Profit Guarantee and Internal Targets

- a) Profit forecast : Not Applicable
- b) Profit guarantee : Not Applicable
- c) Internal targets : Not Applicable

B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Corresponding Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000
Income tax expense for the period	<u>69</u>	<u>89</u>	<u>69</u>	<u>89</u>

The effective tax rate was higher than the statutory tax rate of due to losses of certain subsidiaries that were not able to offset against taxable profits of other subsidiaries.



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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 was no disposal of quoted securities for the current quarter and financial period-to-date.

B8. Status of Corporate Proposals

As at 31 December 2018, the Company has utilised RM0.267m of the proceeds of RM8.202 million raised from the Private Placement Exercise on 31 October 2017. There were no other corporate proposal announced.

B9. Group Borrowings and Debt Securities

The Group's borrowings (which are all denominated in Ringgit Malaysia) as at 31 December 2018 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	3,660	-	3,660
Bankers acceptance	318	-	318
Hire purchase payables	492	903	1,395
Bridging Loan/ Term Loan	180	3,625	3,805
Bonds	25,000	275,539	300,539
Total	<u>29,650</u>	<u>280,067</u>	<u>309,717</u>

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation, Claims or Arbitration

There was no material litigation action since the last annual balance sheet to the date of this report.



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B12. Earnings per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2018	Preceding Year Corresponding Quarter 31/12/2017	Current Year To Date 31/12/2018	Preceding Year Corresponding Period 31/12/2017
(a) Basic Earnings Per Share				
Net loss/(profit) attributable to members of the Company (RM'000)	(227)	687	(227)	687
Weighted average number of ordinary shares in issue	658,339,134	631,668,924	658,339,134	631,668,924
Basic (loss)/earnings per share (sen)	(0.03)	0.11	(0.03)	0.11
(b) Diluted Earnings Per Share				
Net loss/(profit) attributable to members of the Company (RM'000)	(227)	687	(227)	687
Weighted average number of ordinary shares in issue	658,339,134	631,668,924	658,339,134	631,668,924
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	658,339,134	631,668,924	658,339,134	631,668,924
Diluted (loss)/earnings per share (sen)	(0.03)	0.11	(0.03)	0.11



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B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Preceding Year		Preceding Year	
	Current Year Quarter	Corresponding Quarter	Current Year To Date	Corresponding Period
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Other operation (income) / expense:				
- Doubtful debt no longer required	(1,442)	0	(1,442)	0
- Allowance for doubtful debt	282	0	282	0
- Interest Income	(947)	(735)	(947)	(735)
- Gain on disposal of property, plant and equipment	(63)	(18)	(63)	(18)
Interest Expense	4,694	3,864	4,694	3,864
Depreciation and Amortization	654	547	654	547
Net Foreign Exchange Loss	1	11	1	11

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 27 February 2019.