



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2020 RM'000	Preceding Year Corresponding Quarter 31/12/2019 RM'000	Current Year To Date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000
Revenue	3,780	6,850	3,780	6,850
Cost of sales	(1,875)	(5,134)	(1,875)	(5,134)
Gross profit	1,905	1,716	1,905	1,716
Other income	5,970	8,987	5,970	8,987
Administrative expenses	(3,419)	(3,238)	(3,419)	(3,238)
Other expenses	(3,524)	(1,075)	(3,524)	(1,075)
Finance costs	(4,541)	(4,865)	(4,541)	(4,865)
	(3,609)	1,525	(3,609)	1,525
Share of results in an associate	-	-	-	-
Profit / (loss) before taxation	(3,609)	1,525	(3,609)	1,525
Income tax expense	(85)	-	(85)	-
Profit / (loss) after taxation	(3,694)	1,525	(3,694)	1,525
Attributable to:				
Owners of the company	(4,324)	430	(4,324)	430
Non-Controlling Interest	630	1,095	630	1,095
	(3,694)	1,525	(3,694)	1,525
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	(3,694)	1,525	(3,694)	1,525
Total comprehensive profit / (loss) attributable to:				
Owners of the company	(4,324)	430	(4,324)	430
Non-Controlling Interest	630	1,095	630	1,095
	(3,694)	1,525	(3,694)	1,525
(Loss)/earnings per share attributable to owners of the company:				
- basic (sen)	(0.55)	0.07	(0.55)	0.07
- fully diluted (sen)	(0.55)	0.07	(0.55)	0.07

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2020.



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

	As At End of Current Quarter 31/12/2020 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2020 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	10,547	8,071
Investment property	20,866	20,971
Right-of-use assets	74,506	74,997
Goodwill & intangible assets	697	940
Deferred tax assets	700	700
Trade receivables	153,857	153,857
	261,173	259,536
CURRENT ASSETS		
Inventories held for resale	1,678	2,314
Trade receivables	13,007	20,744
Other receivables, deposits and prepayments	6,657	12,706
Amounts owing by contract customers	-	870
Current tax assets	268	390
Fixed deposits with licensed banks	51,453	46,291
Cash and bank balances	12,489	12,210
	85,552	95,525
TOTAL ASSETS	346,725	355,061
EQUITY AND LIABILITIES		
EQUITY		
Share capital	104,937	104,937
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Accumulated loss	(50,749)	(47,223)
SHAREHOLDERS' EQUITY	56,943	60,469
Non-controlling interest	(3,235)	(3,765)
TOTAL EQUITY	53,708	56,704
NON-CURRENT LIABILITIES		
Lease Liability	542	542
Long term borrowings	3,181	3,261
Bonds	216,737	212,525
Deferred tax liabilities	11,348	11,348
TOTAL NON-CURRENT LIABILITIES	231,808	227,676
CURRENT LIABILITIES		
Trade payables	1,550	3,083
Amounts owing to contract customers	790	1,189
Other payables, deposit received and accruals	12,959	18,057
Bonds	43,657	46,018
Provision for taxation	29	65
Lease Liability	188	248
Bank overdraft	1,774	1,759
Short term borrowings	262	262
TOTAL CURRENT LIABILITIES	61,209	70,681
TOTAL LIABILITIES	293,017	298,357
TOTAL EQUITY AND LIABILITIES	346,725	355,061
NET ASSETS PER SHARE (SEN)	0.07	0.09

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2020.



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	←	Non-Distributable	→	Distributable Reserve			
	Share Capital	Reserve	Treasury Shares	Accumulated Loss	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2020 (As restated)	104,937	6,004	(3,249)	(47,223)	60,469	(3,765)	56,704
Acquisition of non-controlling				798	798	(100)	698
Total comprehensive profit for the financial period	-	-	-	(4,324)	(4,324)	630	(3,694)
At 31 December 2020	104,937	6,004	(3,249)	(50,749)	56,943	(3,235)	53,708
At 1 October 2019 (As restated)	102,333	6,004	(3,249)	(44,473)	60,615	(5,508)	55,107
Total comprehensive loss for the financial period	-	-	-	430	430	1,095	1,525
At 31 December 2019	102,333	6,004	(3,249)	(44,043)	61,045	(4,413)	56,632

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 2020.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	31/12/2020 (Unaudited) RM'000	30/9/2020 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(3,609)	629
Adjustments for:-		
Non cash items	1,868	2,282
Non operating items	291	(2,681)
Operating profit / (loss) before working capital changes	(1,450)	230
Net changes in current assets	18,670	34,790
Net changes in current liabilities	(6,180)	268
Cash from operations	11,040	35,288
Interest paid	(39)	(37)
Income tax paid	-	(76)
Net cash from / (used in) operating activities	11,001	35,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	246	1,734
Purchase of property, plant and equipment	(3,030)	(2,887)
Purchase of investment property	-	(235)
Net proceed from disposal of fixed asset	-	758
Changing of surplus funds placed in FD with licensed banks	(11,464)	4,903
Placement of deposits into Debt Service Reserve Accounts	2,513	(1,136)
Net placement/(withdrawal) of FD	-	(3,062)
Net cash used in investing activities	(11,735)	75
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed from issuance of ordinary shares	-	2,604
Repayment of term loan	(80)	(171)
Interest paid	(2,649)	(16,666)
Repayment of bonds	-	(20,000)
Payment of lease liabilities	(61)	(9,030)
Advances from a director	-	(23)
Net cash (used in) / from financing activities	(2,790)	(43,286)
Net decrease in cash and cash equivalents	(3,524)	(8,036)
Cash and cash equivalents at beginning of period	13,753	21,789
Cash and cash equivalents at end of period	10,229	13,753
Note:		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	51,453	46,291
Fixed deposits and bank balances - restricted / pledge	(51,939)	(42,989)
Cash and bank balances	12,489	12,210
Bank overdraft	(1,774)	(1,759)
	10,229	13,753

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 2020.



UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

A. EXPLANATORY NOTES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and Appendix 9B of the Main 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 2020.

A2. Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the most recent audited financial statements for the year ended 30 September 2020, except for the adoption of the following MFRSs, Amendments to MFRSs and Issues Committee Interpretation ("IC Interpretation") that are effective for the Group from 1 August 2018:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014 – 2016 Cycle
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation does not have significant impact on the financial statements of the Group.

A3. Seasonal or Cyclical Factors

There were no material changes brought about by seasonal or cyclical factors that affects the performance of the Group for financial period 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

There were no changes in estimates that had any material effect on the financial period-to-date results.



A6. Debts and Equity Securities

There was no repurchase and repayment of debt and equity securities, for the current period and financial period-to-date.

There was no share buy-back or treasury shares cancelled by the Company in the current financial quarter. As at 31 December 2020, the number of treasury shares repurchased and held are as follow:

	Number of shares	31/12/2020 RM'000
Balance as at 1 October	7,372,808	3,249
Repurchased	-	-
Total treasury shares held	<u>7,372,808</u>	<u>3,249</u>

A7. Dividend Paid

No dividend was paid during the quarter under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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 year ended 31 December 2020

31-Dec-2020 RM'000 The Group	System	Investment	CMS	Rental	Property	Construction /	Hospitality	Elimination	Group
	Integration	Holding			Development	Concession			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE									
External revenue	-	60	514	17	-	1,194	1,995	-	3,780
Intersegment revenue	2,860	-	-	10	-	-	-	(2,870)	-
Total revenue	2,860	60	514	27	-	1,194	1,995	(2,870)	3,780
RESULTS									
Segment results (external)	(2,045)	(735)	(592)	(81)	(325)	5,250	(786)		686
Interest income									246
Finance costs									(4,541)
Share of results in associate									-
Profit from ordinary activities before taxation									(3,609)
Income tax expense									(85)
Profit after taxation									(3,694)
Non-controlling interest									(630)
Net profit attributable to the owners of the Company									(4,324)

Results for the year ended 31 December 2019

31-Dec-2019 RM'000 The Group	System	Investment	CMS	Rental	Property	Construction /	Hospitality	Elimination	Group
	Integration	Holding			Development	Concession			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
REVENUE									
External revenue	178	60	706	206	-	1,195	4,505	-	6,850
Intersegment revenue	-	-	-	53	-	-	-	(53)	-
Total revenue	178	60	706	259	-	1,195	4,505	(53)	6,850
RESULTS									
Segment results (external)	1,004	55	(314)	(32)	23	5,357	18		6,111
Interest income									279
Finance costs									(4,865)
Share of results in associate									-
Profit from ordinary activities before taxation									1,525
Income tax expense									-
Profit after taxation									1,525
Non-controlling interest									(1,095)
Net loss attributable to the owners of the Company									430



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 24/2/2021
Contingent Liabilities :	RM
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	115,000
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	190,641
Total	<u>305,641</u>

A12. Significant Related Party Transactions

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1. Review of the Performance

For the quarter ended 31 December 2020, the Group registered revenue of RM3.78 million as compared to RM6.85 million for the quarter ended 31 December 2019.

The Group registered a year-to-date loss after tax of RM3.69 million for the quarter ended 31 December 2020 which is approximately 97.72% of total group revenue as compared to profit after taxation of RM1.53 million representing 22.26% of total group revenue for the quarter ended 31 December 2019.

The hospitality sector has contributed RM2.00 million in revenue and registered loss before taxation of RM0.79 million for the 3 months ended 31 December 2020 as compared to revenue of RM4.51 million and profit before tax of RM0.02 million in the same period of preceding year. The segment contributed 52.78% of the total Group revenue.

The group's loss after tax is due to the higher finance cost of RM4.51 million attributed by scheduled bond interest and expenses in the concessionaire segment, impairment losses written down and an increase depreciation expenses attributed by the acquisition of 169 units of hotel apartments. Nevertheless, the management is optimistic on the reduction of finance cost and tax provision in future as 37% of the 280mil bond principal has been repaid until this quarter ending.



B2. Variation of Results against Preceding Quarter

	Current Quarter	Preceding Quarter	Difference	
	Ended 31/12/2020 RM'000	Ended 31/12/2019 RM'000	RM'000	%
Revenue	3,780	6,850	(3,070)	(44.82)
Profit before taxation	<u>(3,609)</u>	<u>1,525</u>	<u>(5,134)</u>	<u>(336.66)</u>

B3. Prospects

Despite the challenging business and economic environment in the country, the group is increasing its on-going efforts with generating “new” ancillary revenue and implement cost cutting initiatives. The Board expects the Group’s performance in 2021 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 31/12/2020 RM'000	Preceding Year Corresponding Quarter 31/12/2019 RM'000	Current Year To Date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000
Income tax expense for the period	<u>(85)</u>	<u>-</u>	<u>(85)</u>	<u>-</u>

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



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

There was no disposal of Unquoted Investments and 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

There were no outstanding corporate proposals made in the current quarter and financial period-to-date

B9. Group Borrowings and Debt Securities

The Group's borrowings (which are all denominated in Ringgit Malaysia) as at 31 December 2020 consist of the following:-

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured:-			
Bank overdraft	1,774	-	1,774
Hire purchase payables	-	-	-
Lease Liability	188	542	730
Bridging Loan/ Term Loan	262	3,181	3,443
Bonds	43,657	216,737	260,394
Total	<u>45,881</u>	<u>220,460</u>	<u>266,341</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, Claims or Arbitration

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



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

B12. Earnings per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2020	Preceding Year Corresponding Quarter 31/12/2019	Current Year To Date 31/12/2020	Preceding Year Corresponding Period 31/12/2019
(a) Basic Earnings Per Share				
Net loss/(profit) attributable to members of the Company (RM'000)	(4,324)	430	(4,324)	430
Weighted average number of ordinary shares in issue	788,532,399	658,339,134	788,532,399	658,339,134
Basic (loss)/earnings per share (sen)	<u>(0.55)</u>	<u>0.07</u>	<u>(0.55)</u>	<u>0.07</u>
(b) Diluted Earnings Per Share				
Net loss/(profit) attributable to members of the Company (RM'000)	(4,324)	430	(4,324)	430
Weighted average number of ordinary shares in issue	788,532,399	658,339,134	788,532,399	658,339,134
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>788,532,399</u>	<u>658,339,134</u>	<u>788,532,399</u>	<u>658,339,134</u>
Diluted (loss)/earnings per share (sen)	<u>(0.55)</u>	<u>0.07</u>	<u>(0.55)</u>	<u>0.07</u>



B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Preceding		Preceding	
	Year	Year	Year	Year
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Profit / (loss) before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
- Allowance for doubtful debt	1,034	-	1,034	-
- Interest Income				
> Concession receivables	(5,660)	(7,426)	(5,660)	(7,426)
> Others	(246)	(279)	(246)	(279)
Interest Expense	4,541	4,865	4,541	4,865
Depreciation and Amortization	1,170	1,075	1,170	1,075
Impairment on goodwill	698	-	698	-
Impairment on inventory	622	-	622	-

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2021.