



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/3/2020 (Unaudited) RM'000	Current Year To Date 31/3/2021 (Unaudited) RM'000	Preceding Year Corresponding Period 31/3/2020 (Unaudited) RM'000
<b>Revenue</b>	8,276	15,514	17,577	29,790
Cost of sales	(970)	(3,963)	(2,845)	(8,652)
<b>Gross profit</b>	<b>7,306</b>	<b>11,551</b>	<b>14,732</b>	<b>21,138</b>
Other income	759	797	1,208	2,358
Administrative expenses	(2,862)	(3,360)	(6,281)	(7,043)
Other expenses	(1,323)	(2,591)	(4,847)	(3,666)
Finance costs	(4,746)	(5,817)	(9,287)	(10,682)
	(866)	580	(4,475)	2,105
Share of results in an associate	-	-	-	-
<b>(Loss)/Profit before taxation</b>	<b>(866)</b>	<b>580</b>	<b>(4,475)</b>	<b>2,105</b>
Income tax expense	(0)	(74)	(85)	(74)
<b>(Loss)/Profit after taxation</b>	<b>(866)</b>	<b>506</b>	<b>(4,560)</b>	<b>2,031</b>
Attributable to:				
Owners of the company	(1,503)	(293)	(5,827)	137
Non-Controlling Interest	637	799	1,267	1,894
	(866)	506	(4,560)	2,031
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
<b>Total for the quarter / cumulative quarter</b>	<b>(866)</b>	<b>506</b>	<b>(4,560)</b>	<b>2,031</b>
Total comprehensive profit / (loss) attributable to:				
Owners of the company	(1,503)	(293)	(5,827)	137
Non-Controlling Interest	637	799	1,267	1,894
	(866)	506	(4,560)	2,031
(Loss)/earnings per share attributable to owners of the company:				
- basic (sen)	(0.19)	(0.04)	(0.74)	0.02
- fully diluted (sen)	(0.19)	(0.04)	(0.74)	0.02

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

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	<b>As At End of Current Quarter 31/3/2021 (Unaudited) RM'000</b>	<b>As At Preceding Financial Year Ended 30/9/2020 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	9,976	8,071
Investment property	20,828	20,971
Right-of-use assets	73,993	74,997
Goodwill & intangible assets	697	940
Deferred tax assets	700	700
Trade receivables	153,857	153,857
	260,051	259,536
<b>CURRENT ASSETS</b>		
Inventories held for resale	1,668	2,314
Trade receivables	14,853	20,744
Other receivables, deposits and prepayments	9,723	12,706
Contract assets	1,596	870
Current tax assets	311	390
Fixed deposits with licensed banks	45,282	46,291
Cash and bank balances	17,409	12,210
	90,842	95,525
<b>TOTAL ASSETS</b>	350,893	355,061
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	104,937	104,937
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Accumulated loss	(52,252)	(47,223)
<b>SHAREHOLDERS' EQUITY</b>	55,440	60,469
Non-controlling interest	(2,598)	(3,765)
<b>TOTAL EQUITY</b>	52,842	56,704
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	495	542
Long term borrowings	3,126	3,261
Bonds	218,913	212,525
Deferred tax liabilities	11,261	11,348
<b>TOTAL NON-CURRENT LIABILITIES</b>	233,795	227,676
<b>CURRENT LIABILITIES</b>		
Trade payables	3,463	3,083
Contract liabilities	828	1,189
Other payables, deposit received and accruals	15,926	18,057
Bonds	40,982	46,018
Provision for taxation	33	65
Lease Liability	157	248
Bank overdraft	2,604	1,759
Short term borrowings	262	262
<b>TOTAL CURRENT LIABILITIES</b>	64,255	70,681
<b>TOTAL LIABILITIES</b>	298,050	298,357
<b>TOTAL EQUITY AND LIABILITIES</b>	350,892	355,061
<b>NET ASSETS PER SHARE (SEN)</b>	0.07	0.08

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 MARCH 2021

	←	Non-Distributable	→	Distributable Reserve Accumulated Loss			
	Share Capital	Reserve	Treasury Shares	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 loss for the financial period	-	-	-	(5,827)	(5,827)	1,267	(4,560)
At 31 March 2021	104,937	6,004	(3,249)	(52,252)	55,440	(2,598)	52,842
At 1 October 2019 (As restated)	102,333	6,004	(3,249)	(44,473)	60,615	(5,508)	55,107
Total comprehensive profit for the financial period	-	-	-	137	137	1,894	2,031
At 31 March 2020	102,333	6,004	(3,249)	(44,336)	60,752	(3,614)	57,138

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.

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# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	31/3/2021 (Unaudited) RM'000	30/9/2020 (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(4,475)	629
Adjustments for:-		
Non cash items	5,469	2,282
Non operating items	8,490	(2,681)
Operating profit before working capital changes	9,484	230
Net changes in current assets	7,349	34,790
Net changes in current liabilities	(2,925)	268
Cash from operations	13,908	35,288
Interest paid	(52)	(37)
Income tax paid	(38)	(76)
Net cash from operating activities	13,818	35,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	797	1,734
Purchase of property, plant and equipment	(3,114)	(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	(7,444)	4,903
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	1,777	(1,136)
Net placement/(withdrawal) of FD	999	(3,062)
Net cash used in investing activities	(6,985)	75
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed from issuance of ordinary shares	-	2,604
Repayment of term loan	(135)	(171)
Interest paid	(7,884)	(16,666)
Repayment of bonds	-	(20,000)
Payment of lease liabilities	(137)	(9,030)
Advances from a director	-	(23)
Net cash (used in) / from financing activities	(8,156)	(43,286)
Net decrease in cash and cash equivalents	(1,323)	(8,036)
Cash and cash equivalents at beginning of period	13,753	21,789
Cash and cash equivalents at end of period	12,430	13,753
<b>Note:</b>		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	45,282	46,291
Fixed deposits and bank balances - restricted / pledge	(47,657)	(42,989)
Cash and bank balances	17,409	12,210
Bank overdraft	(2,604)	(1,759)
	12,430	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.



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## UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

### A. EXPLANATORY NOTES FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

#### 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 March 2021, the number of treasury shares repurchased and held are as follow:

	<b>Number of shares</b>	<b>31/3/2021 RM'000</b>
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.

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## 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 March 2021

31-Mar-2021 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
<b>REVENUE</b>									
External revenue	24	120	988	38	-	13,372	3,035	-	17,577
Intersegment revenue	2,860	-	-	15	-	-	-	(2,875)	-
<b>Total revenue</b>	<b>2,884</b>	<b>120</b>	<b>988</b>	<b>53</b>	<b>-</b>	<b>13,372</b>	<b>3,035</b>	<b>(2,875)</b>	<b>17,577</b>
<b>RESULTS</b>									
Segment results (external)	(2,874)	(1,369)	(21)	18	(329)	10,445	(1,855)	-	4,015
Interest income									797
Finance costs									(9,287)
Share of results in associate									-
Profit from ordinary activities before taxation									(4,475)
Income tax expense									(85)
Profit after taxation									(4,560)
Non-controlling interest									(1,267)
Net profit attributable to the owners of the Company									(5,827)

### Results for the year ended 31 March 2020

31-Mar-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
<b>REVENUE</b>									
External revenue	3,494	60	1,701	30	-	17,131	7,374	-	29,790
Intersegment revenue	-	-	-	32	-	-	-	(32)	-
<b>Total revenue</b>	<b>3,494</b>	<b>60</b>	<b>1,701</b>	<b>62</b>	<b>-</b>	<b>17,131</b>	<b>7,374</b>	<b>(32)</b>	<b>29,790</b>
<b>RESULTS</b>									
Segment results (external)	(243)	(272)	(565)	(311)	(304)	13,477	(79)	-	11,704
Interest income									1,083
Finance costs									(10,682)
Share of results in associate									-
Profit from ordinary activities before taxation									2,105
Income tax expense									(74)
Profit after taxation									2,031
Non-controlling interest									(1,894)
Net loss attributable to the owners of the Company									137



## A9. Material Events Subsequent to the End of the Quarter

On 3 May 2021, the Company has announced to undertake the renounceable rights issue of 287,518,911 new ordinary shares together with 287,518,911 free detachable warrants.

Save for the above, there were no material events subsequent to the end of the current quarter that have not been reflected in 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).

	<b>As at 20/5/2021</b>
Contingent Liabilities :	<b>RM</b>
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	439,140
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	190,641
Total	<u>629,781</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 March 2021, the Group registered revenue of RM17.58 million as compared to RM29.79 million for the quarter ended 31 March 2020.

The Group registered a year-to-date loss after tax of RM4.56 million for the quarter ended 31 March 2021 which is approximately 25.9% of total group revenue as compared to profit after taxation of RM2.03 million representing 6.8% of total group revenue for the quarter ended 31 March 2020.

The concession asset sector and construction generated revenue of RM13.37 million for 6 months ended 31 March 2021 which is approximately 76.0% of total group revenue. In the same period of preceding year, this sector generated revenue of RM17.24 million.

The hospitality sector has contributed RM3.03 million in revenue and registered loss before taxation of RM3.52 million for the 6 months ended 31 March 2021 as compared to revenue of RM7.34 million and loss before tax of RM1.71 million in the same period of preceding year. The segment contributed 17.2% of the total Group revenue.

The group's loss after tax is due to higher loss of RM3.5 million incurred by the hospitality sector because of inter-state ban during the Movement Control Order and the writing off of debts amounting RM1.8 million in the system integration sector.

### B2. Variation of Results against Preceding Quarter

	<b>Current Quarter Ended 31/3/2021 RM'000</b>	<b>Preceding Quarter Ended 31/3/2020 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	8,276	15,514	(7,238)	(46.65)
Profit before taxation	<u>(865)</u>	<u>580</u>	<u>(1,445)</u>	<u>(249.17)</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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	RM'000	RM'000	RM'000	RM'000
Income tax expense for the period	(0)	(74)	(85)	(74)

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 March 2021 consist of the following:-

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured:-			
Bank overdraft	2,604	-	2,604
Lease Liability	157	495	652
Bridging Loan/ Term Loan	262	3,126	3,388
Bonds	40,982	218,913	259,895
Total	44,005	222,534	266,539



## 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.

## B12. Earnings per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2021	Preceding Year Corresponding Quarter 31/3/2020	Current Year To Date 31/3/2021	Preceding Year Corresponding Period 31/3/2020
<b>(a) Basic Earnings Per Share</b>				
Net (loss)/profit attributable to members of the Company (RM'000)	(1,503)	(293)	(5,827)	137
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>(0.19)</u>	<u>(0.04)</u>	<u>(0.74)</u>	<u>0.02</u>
<b>(b) Diluted Earnings Per Share</b>				
Net (loss)/profit attributable to members of the Company (RM'000)	(1,503)	(293)	(5,827)	137
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>(0.19)</u>	<u>(0.04)</u>	<u>(0.74)</u>	<u>0.02</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
	31/3/2021	31/3/2020	31/3/2021	31/3/2020
	RM'000	RM'000	RM'000	RM'000
Profit / (loss) before taxation is arrived at after charging / (crediting):				
Other operation (income)/ expense:				
- Doubtful debt no longer required	(1,468)	(347)	(434)	(1,275)
- Allowance for doubtful debt	-	837	-	837
- Bad debts written off	1,983	-	1,983	-
- Interest Income	(551)	(804)	(797)	(1,083)
Interest Expense	4,746	5,817	9,287	10,682
Depreciation and Amortization	1,429	1,755	2,599	2,829
Impairment on goodwill	0	-	698	-
Inventory written off	-	-	622	-

## B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 27 May 2021.