



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/6/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2020 (Unaudited) RM'000	Current Year To Date 30/6/2021 (Unaudited) RM'000	Preceding Year Corresponding Period 30/6/2020 (Unaudited) RM'000
<b>Revenue</b>	8,707	8,952	26,284	38,742
Cost of sales	(2,586)	(2,043)	(5,431)	(10,695)
Gross profit	6,121	6,909	20,853	28,047
Other income	(54)	1,586	1,154	3,944
Administrative expenses	(2,362)	(2,770)	(8,643)	(9,813)
Other expenses	(1,297)	(2,314)	(6,144)	(5,980)
Finance costs	(4,087)	(3,059)	(13,374)	(13,741)
	(1,679)	352	(6,154)	2,457
Share of results in an associate	-	-	-	-
<b>(Loss)/Profit before taxation</b>	(1,679)	352	(6,154)	2,457
Income tax expense	(27)	59	(112)	(15)
<b>(Loss)/Profit after taxation</b>	(1,706)	411	(6,266)	2,442
Attributable to:				
Owners of the company	(2,178)	(772)	(8,005)	(635)
Non-Controlling Interest	472	1,183	1,739	3,077
	(1,706)	411	(6,266)	2,442
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>	(1,706)	411	(6,266)	2,442
Total comprehensive (loss) / profit attributable to:				
Owners of the company	(2,178)	(772)	(8,005)	(635)
Non-Controlling Interest	472	1,183	1,739	3,077
	(1,706)	411	(6,266)	2,442
Loss per share attributable to owners of the company:				
- basic (sen)	(0.21)	(0.10)	(0.76)	(0.08)
- fully diluted (sen)	(0.21)	(0.10)	(0.76)	(0.08)

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)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	As At End of Current Quarter 30/6/2021 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2020 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	9,454	8,071
Investment property	20,766	20,971
Right-of-use assets	73,466	74,997
Goodwill & intangible assets	697	940
Deferred tax assets	700	700
Trade receivables	153,857	153,857
	<b>258,940</b>	<b>259,536</b>
<b>CURRENT ASSETS</b>		
Inventories held for resale	1,683	2,314
Trade receivables	12,810	20,744
Other receivables, deposits and prepayments	6,315	12,706
Contract assets	1,969	870
Current tax assets	615	390
Fixed deposits with licensed banks	67,366	46,291
Cash and bank balances	12,251	12,210
	<b>103,009</b>	<b>95,525</b>
<b>TOTAL ASSETS</b>	<b>361,949</b>	<b>355,061</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	117,956	104,937
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Accumulated loss	(54,430)	(47,223)
<b>SHAREHOLDERS' EQUITY</b>	<b>66,281</b>	<b>60,469</b>
Non-controlling interest	(2,126)	(3,765)
<b>TOTAL EQUITY</b>	<b>64,155</b>	<b>56,704</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	502	542
Long term borrowings	3,109	3,261
Bonds	218,913	212,525
Deferred tax liabilities	11,261	11,348
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>233,785</b>	<b>227,676</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	3,469	3,083
Contract liabilities	897	1,189
Other payables, deposit received and accruals	13,251	18,057
Bonds	43,949	46,018
Provision for taxation	264	65
Lease Liability	56	248
Bank overdraft	1,861	1,759
Short term borrowings	262	262
<b>TOTAL CURRENT LIABILITIES</b>	<b>64,009</b>	<b>70,681</b>
<b>TOTAL LIABILITIES</b>	<b>297,794</b>	<b>298,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>361,949</b>	<b>355,061</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>0.06</b>	<b>0.08</b>

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2021

	←	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
Issuance of Shares pursuant to: - right issues	13,019	-	-	-	13,019	-	13,019
Acquisition of non-controlling	-	-	-	798	798	(100)	698
Total comprehensive loss for the financial period	-	-	-	(8,005)	(8,005)	1,739	(6,266)
At 30 June 2021	117,956	6,004	(3,249)	(54,430)	66,281	(2,126)	64,155
At 1 October 2019 (As restated)	102,333	6,004	(3,249)	(44,473)	60,615	(5,508)	55,107
Issue of shares	2,604	-	-	-	2,604	-	2,604
Total comprehensive profit for the financial period	-	-	-	(635)	(635)	3,077	2,442
At 30 June 2020	104,937	6,004	(3,249)	(45,108)	62,584	(2,431)	60,153

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2021

	30/6/2021 (Unaudited) RM'000	30/6/2020 (Unaudited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(6,154)	2,457
Adjustments for:-		
Non cash items	6,766	(46)
Non operating items	12,607	(661)
Operating profit before working capital changes	13,219	1,750
Net changes in current assets	12,650	19,823
Net changes in current liabilities	(6,019)	2,089
Cash from operations	19,850	23,662
Interest paid	(51)	(85)
Income tax paid	(138)	(165)
Net cash from operating activities	19,661	23,412
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	766	1,567
Purchase of property, plant and equipment	(3,164)	(10,420)
Changing of surplus funds placed in FD with licensed banks	(18,999)	(7,608)
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	6,324	(752)
Net placement/(withdrawal) of FD	5,758	-
Net cash used in investing activities	(9,315)	(17,213)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed from issuance of ordinary shares	13,019	2,604
Repayment of term loan	(152)	(126)
Interest paid	(8,882)	(10,108)
Transaction cost incurred on bond	-	(247)
Payment of lease liabilities	(232)	(208)
Net cash from / (used in) financing activities	3,753	(8,085)
Net increase / (decrease) in cash and cash equivalents	14,099	(1,886)
Cash and cash equivalents at beginning of period	13,753	21,789
Cash and cash equivalents at end of period	27,852	19,903
<b>Note:</b>		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	67,366	65,219
Fixed deposits and bank balances - restricted / pledge	(49,904)	(52,054)
Cash and bank balances	12,251	8,742
Bank overdraft	(1,861)	(2,004)
	27,852	19,903

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.



## A. EXPLANATORY NOTES

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

	<b>Number of shares</b>	<b>30/6/2021 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 30 June 2021

30-Jun-2021 RM'000 The Group	System	Investment	<u>CMS</u>	<u>Rental</u>	Property	Construction /	<u>Hospitality</u>	<u>Elimination</u>	<u>Group</u>
	<u>Integration</u>	<u>Holding</u>			<u>Development</u>	<u>Concession</u>			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE</b>									
External revenue	221	180	1,462	2	-	20,140	4,279	-	26,284
Intersegment revenue	2,860	-	-	22	-	-	-	(2,882)	-
<b>Total revenue</b>	<b>3,081</b>	<b>180</b>	<b>1,462</b>	<b>24</b>	<b>-</b>	<b>20,140</b>	<b>4,279</b>	<b>(2,882)</b>	<b>26,284</b>
<b>RESULTS</b>									
Segment results (external)	(3,075)	1,251	(510)	(270)	(358)	14,105	(4,690)		6,453
Interest income									767
Finance costs									(13,374)
Share of results in associate									-
Loss from ordinary activities before taxation									(6,154)
Income tax expense									(112)
Loss after taxation									(6,266)
Non-controlling interest									(1,739)
Net loss attributable to the owners of the Company									<u>(8,005)</u>

### Results for the year ended 30 June 2020

30-Jun-2020 RM'000 The Group	System	Investment	<u>CMS</u>	<u>Rental</u>	Property	Construction /	<u>Hospitality</u>	<u>Elimination</u>	<u>Group</u>
	<u>Integration</u>	<u>Holding</u>			<u>Development</u>	<u>Concession</u>			
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>REVENUE</b>									
External revenue	2,995	182	2,172	42	-	24,268	9,083	-	38,742
Intersegment revenue	-	-	-	39	-	-	-	(39)	-
<b>Total revenue</b>	<b>2,995</b>	<b>182</b>	<b>2,172</b>	<b>81</b>	<b>-</b>	<b>24,268</b>	<b>9,083</b>	<b>(39)</b>	<b>38,742</b>
<b>RESULTS</b>									
Segment results (external)	(1,341)	(190)	(996)	(219)	(87)	18,501	(1,037)		14,631
Interest income									1,567
Finance costs									(13,741)
Share of results in associate									-
Profit from ordinary activities before taxation									2,457
Income tax expense									(15)
Profit after taxation									2,442
Non-controlling interest									(3,077)
Net loss attributable to the owners of the Company									<u>(635)</u>



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## 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).

	<b>As at 18/8/2021</b>
	<b>RM</b>
Contingent Liabilities :	
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 30 June 2021, the Group registered revenue of RM26.28 million as compared to RM38.74 million for the quarter ended 30 June 2020.

The Group registered a year-to-date loss after tax of RM6.27 million for the quarter ended 30 June 2021 which is approximately 23.8% of total group revenue as compared to profit after taxation of RM2.46 million representing 6.3% of total group revenue for the quarter ended 30 June 2020.

The concession asset sector and construction generated revenue of RM20.14 million for 9 months ended 30 June 2021 which is approximately 76.6% of total group revenue. In the same period of preceding year, this sector generated revenue of RM24.27 million.

The hospitality sector has contributed RM4.28 million in revenue and registered loss before taxation of RM4.73 million for the 9 months ended 30 June 2021 as compared to revenue of RM9.08 million and loss before tax of RM3.05 million in the same period of preceding year. The segment contributed 16.3% of the total Group revenue.

The group's loss after tax is due to loss of RM5.0 million incurred by the hospitality sector because of the continuous inter-state ban during the Movement Control Order and the writing off of debts amounting RM2.0 million in the system integration sector.

### B2. Variation of Results against Preceding Quarter

	<b>Current Quarter Ended 30/6/2021 RM'000</b>	<b>Preceding Quarter Ended 30/6/2020 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	8,707	8,952	(245)	(2.73)
(Loss)/Profit before taxation	<u>(1,679)</u>	<u>352</u>	<u>(2,031)</u>	<u>(576.87)</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 30/6/2021 RM'000	Preceding Year Corresponding Quarter 30/6/2020 RM'000	Current Year To Date 30/6/2021 RM'000	Preceding Year Corresponding Period 30/6/2020 RM'000
Income tax expense for the period	(27)	59	(112)	(15)

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 30 June 2021 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	1,861	-	1,861
Lease Liability	56	502	558
Bridging Loan/ Term Loan	262	3,109	3,371
Bonds	43,949	218,913	262,862
Total	46,128	222,524	268,652



## 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 30/6/2021	Preceding Year Corresponding Quarter 30/6/2020	Current Year To Date 30/6/2021	Preceding Year Corresponding Period 30/6/2020
<b>(a) Basic Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(2,178)	(772)	(8,005)	(635)
Weighted average number of ordinary shares in issue	1,048,916,802	788,532,399	1,048,916,802	788,532,399
Basic loss per share (sen)	<u>(0.21)</u>	<u>(0.10)</u>	<u>(0.76)</u>	<u>(0.08)</u>
<b>(b) Diluted Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(2,178)	(772)	(8,005)	(635)
Weighted average number of ordinary shares in issue	1,048,916,802	788,532,399	1,048,916,802	788,532,399
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>1,048,916,802</u>	<u>788,532,399</u>	<u>1,048,916,802</u>	<u>788,532,399</u>
Diluted loss per share (sen)	<u>(0.21)</u>	<u>(0.10)</u>	<u>(0.76)</u>	<u>(0.08)</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
	30/6/2021	30/6/2020	30/6/2021	30/6/2020
	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	(639)	(1,020)	(1,072)	(2,295)
- Allowance for doubtful debt	778	1,355	778	2,192
- Bad debts written off	(3)	-	1,980	-
- Interest Income	30	(484)	(767)	(1,567)
- Gain on disposal of property, plant and equipment	-	(82)	-	(82)
- Loss on disposal of quoted share	-	-	-	-
Interest Expense	4,087	3,059	13,374	13,741
Depreciation and Amortization	1,161	959	3,760	3,788
Impairment on goodwill	-	-	698	-
Inventory written off	-	-	622	-

## B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 25 August 2021.