



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Current Year Quarter 30/9/2021 (Unaudited) RM'000	Corresponding Quarter 30/9/2020 (Audited) RM'000	Current Year To Date 30/9/2021 (Unaudited) RM'000	Corresponding Period 30/9/2020 (Audited) RM'000
Revenue	7,633	5,153	16,936	26,261
Cost of sales	(3,829)	(3,901)	(9,260)	(14,596)
Gross profit	3,804	1,252	7,676	11,665
Other income	6,107	8,200	24,242	29,778
Administrative expenses	(3,962)	(5,951)	(12,605)	(15,764)
Other expenses	(2,756)	(92)	(8,900)	(6,072)
Finance costs	(4,528)	(5,237)	(17,902)	(18,978)
	(1,335)	(1,828)	(7,489)	629
Share of results in an associate	-	-	-	-
(Loss)/Profit before taxation	(1,335)	(1,828)	(7,489)	629
Income tax expense	(354)	(1,621)	(466)	(1,636)
(Loss)/Profit after taxation	(1,689)	(3,449)	(7,955)	(1,007)
Attributable to:				
Owners of the company	1,695	(2,115)	(6,310)	(2,750)
Non-Controlling Interest	(3,384)	(1,334)	(1,645)	1,743
	(1,689)	(3,449)	(7,955)	(1,007)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	(1,689)	(3,449)	(7,955)	(1,007)
Total comprehensive (loss) / profit attributable to:				
Owners of the company	1,695	(2,115)	(6,310)	(2,750)
Non-Controlling Interest	(3,384)	(1,334)	(1,645)	1,743
	(1,689)	(3,449)	(7,955)	(1,007)
Loss per share attributable to owners of the company:				
- basic (sen)	0.16	(0.27)	(0.60)	(0.35)
- fully diluted (sen)	0.16	(0.27)	(0.60)	(0.35)

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 SEPTEMBER 2021

	As At End of Current Quarter 30/9/2021 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2020 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	9,535	8,071
Investment property	20,779	20,971
Right-of-use assets	72,995	74,997
Goodwill & intangible assets	635	940
Deferred tax assets	458	700
Trade receivables	153,857	153,857
	258,259	259,536
CURRENT ASSETS		
Inventories held for resale	1,669	2,314
Trade receivables	10,725	20,744
Other receivables, deposits and prepayments	4,918	12,706
Contract assets	40	870
Current tax assets	137	390
Fixed deposits with licensed banks	44,641	46,291
Cash and bank balances	17,941	12,210
	80,071	95,525
TOTAL ASSETS	338,330	355,061
EQUITY AND LIABILITIES		
EQUITY		
Share capital	117,956	104,937
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Accumulated loss	(54,188)	(47,223)
SHAREHOLDERS' EQUITY	66,523	60,469
Non-controlling interest	(4,755)	(3,765)
TOTAL EQUITY	61,768	56,704
NON-CURRENT LIABILITIES		
Lease Liability	258	542
Long term borrowings	3,025	3,261
Bonds	199,003	212,525
Deferred tax liabilities	11,261	11,348
TOTAL NON-CURRENT LIABILITIES	213,547	227,676
CURRENT LIABILITIES		
Trade payables	3,100	3,083
Contract liabilities	811	1,189
Other payables, deposit received and accruals	14,238	18,057
Bonds	41,637	46,018
Provision for taxation	6	65
Lease Liability	261	248
Bank overdraft	1,793	1,759
Short term borrowings	1,169	262
TOTAL CURRENT LIABILITIES	63,015	70,681
TOTAL LIABILITIES	276,562	298,357
TOTAL EQUITY AND LIABILITIES	338,330	355,061
NET ASSETS PER SHARE (SEN)	0.06	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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 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	-	-	-	(655)	(655)	655	-
Total comprehensive loss for the financial period	-	-	-	(6,310)	(6,310)	(1,645)	(7,955)
At 30 September 2021	117,956	6,004	(3,249)	(54,188)	66,523	(4,755)	61,768
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	-	-	-	(2,750)	(2,750)	1,743	(1,007)
At 30 September 2020	104,937	6,004	(3,249)	(47,223)	60,469	(3,765)	56,704

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	30/9/2021 (Unaudited) RM'000	30/9/2020 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(7,489)	629
Adjustments for:-		
Non cash items	2,278	1,004
Non operating items	1,538	(1,403)
Operating profit before working capital changes	(3,673)	230
Net changes in current assets	36,500	32,018
Net changes in current liabilities	(3,568)	3,040
Cash from operations	29,259	35,288
Interest received	-	87
Interest paid	(87)	(124)
Income tax paid	(31)	(278)
Income tax refund	-	202
Net cash from operating activities	29,141	35,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,023	1,734
Purchase of property, plant and equipment	(421)	(2,887)
Purchase of investment property	(3,526)	(235)
Proceeds from disposal of property, plant and equipment	-	50
Proceeds from disposal of investment properties	-	708
Changing of surplus funds placed in FD with licensed banks	2,931	4,903
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	3,079	(1,136)
Net placement/(withdrawal) of FD	4,428	(3,062)
Net cash from investing activities	7,514	75
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed from issuance of ordinary shares	13,019	2,604
Drawdown of term loan	1,000	-
Repayment of term loan	(329)	(171)
Interest paid	(15,589)	(16,666)
Repayment of bonds	(20,000)	(20,000)
Payment of lease liabilities	(271)	(9,030)
Repayment to directors	-	(23)
Net cash used in financing activities	(22,170)	(43,286)
Net increase / (decrease) in cash and cash equivalents	14,485	(8,036)
Cash and cash equivalents at beginning of period	13,753	21,789
Cash and cash equivalents at end of period	28,238	13,753
Note:		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	44,641	46,291
Fixed deposits and bank balances - restricted / pledge	(32,551)	(42,989)
Cash and bank balances	17,941	12,210
Bank overdraft	(1,793)	(1,759)
	28,238	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.



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 January 2021:

Amendments to MFRS 16
Amendments to MFRS 9,
139, 7, 4, & 16

COVID-19-Related Rent Concessions⁷

Interest Rate Benchmark Reform – Phase 2

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

	Number of shares	30/9/2021 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.

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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 September 2021

30-Sep-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
REVENUE									
External revenue	633	240	2,726	10	-	5,007	8,320	-	16,936
Intersegment revenue	16,763	-	-	41	-	1,372	-	(18,176)	-
Total revenue	17,396	240	2,726	51	-	6,379	8,320	(18,176)	16,936
RESULTS									
Segment results (external)	890	5,595	(1,520)	312	(880)	7,206	(2,213)		9,390
Interest income									1,023
Finance costs									(17,902)
Share of results in associate									-
Loss from ordinary activities before taxation									(7,489)
Income tax expense									(466)
Loss after taxation									(7,955)
Non-controlling interest									1,645
Net loss attributable to the owners of the Company									(6,310)

Results for the year ended 30 September 2020

30-Sep-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
REVENUE									
External revenue	5,468	60	3,050	58	-	4,775	12,850	-	26,261
Intersegment revenue	-	4,200	-	51	-	-	-	(4,251)	-
Total revenue	5,468	4,260	3,050	109	-	4,775	12,850	(4,251)	26,261
RESULTS									
Segment results (external)	2,417	(3,334)	(658)	(323)	747	20,995	(2,058)		17,786
Interest income									1,821
Finance costs									(18,978)
Share of results in associate									-
Profit from ordinary activities before taxation									629
Income tax expense									(1,636)
Profit after taxation									(1,007)
Non-controlling interest									(1,743)
Net loss attributable to the owners of the Company									(2,750)



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 16/11/2021
	RM
Contingent Liabilities :	
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	444,140
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	190,641
Total	<u>634,781</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 September 2021, the Group registered revenue of RM16.94 million as compared to RM26.26 million for the quarter ended 30 September 2020.

The Group registered a year-to-date loss after tax of RM7.95 million for the quarter ended 30 September 2021 which is approximately 46.9% of total group revenue as compared to loss after taxation of RM1.00 million representing 3.8% of total group revenue for the quarter ended 30 September 2020.

The concession asset sector and construction generated revenue of RM5.01 million for 12 months ended 30 September 2021 which is approximately 29.6 % of total group revenue. In the same period of preceding year, this sector generated revenue of RM4.77 million.

The hospitality sector has contributed RM8.32 million in revenue and registered loss before taxation of RM4.90 million for the 12 months ended 30 September 2021 as compared to revenue of RM12.85 million and loss before tax of RM4.65 million in the same period of preceding year. The segment contributed 49.1% of the total Group revenue.

The group's loss after tax is due to loss of RM4.9 million incurred by the hospitality sector because of the continuous inter-state ban during the Movement Control Order and the provision and writing off of debts amounting RM2.7 million in the system integration sector.

B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 30/9/2021 RM'000	Preceding Quarter Ended 30/9/2020 RM'000	Difference	
			RM'000	%
Revenue	7,633	5,153	2,480	48.13
Loss before taxation	<u>(1,335)</u>	<u>(1,828)</u>	<u>493</u>	<u>(26.96)</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 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000	Current Year To Date 30/9/2021 RM'000	Preceding Year Corresponding Period 30/9/2020 RM'000
Income tax expense for the period	(354)	(1,621)	(466)	(1,636)

The Group's 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 September 2021 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	1,793	-	1,793
Lease Liability	261	258	519
Bridging Loan/ Term Loan	1,169	3,025	4,194
Bonds	41,637	199,003	240,640
Total	44,860	202,286	247,146



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 30/9/2021	Preceding Year Corresponding Quarter 30/9/2020	Current Year To Date 30/9/2021	Preceding Year Corresponding Period 30/9/2020
(a) Basic Earnings Per Share				
Net profit/(loss) attributable to members of the Company (RM'000)	1,695	(2,115)	(6,310)	(2,750)
Weighted average number of ordinary shares in issue	1,048,916,802	788,532,399	1,048,916,802	788,532,399
Basic profit/(loss) per share (sen)	<u>0.16</u>	<u>(0.27)</u>	<u>(0.60)</u>	<u>(0.35)</u>
(b) Diluted Earnings Per Share				
Net profit/(loss) attributable to members of the Company (RM'000)	1,695	(2,115)	(6,310)	(2,750)
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 profit/(loss) per share (sen)	<u>0.16</u>	<u>(0.27)</u>	<u>(0.60)</u>	<u>(0.35)</u>



B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000	Current Year To Date 30/9/2021 RM'000	Preceding Year Corresponding Period 30/9/2020 RM'000
Profit / (loss) before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
Doubtful debt no longer required	1,012	(1,222)	(60)	(3,517)
Allowance for doubtful debt	950	(463)	1,728	1,729
Bad debts written off	324	2,507	2,304	2,507
Interest Income				
> Concession receivables	(5,660)	(5,878)	(22,641)	(23,512)
> Others	(256)	(254)	(1,023)	(1,821)
Gain on disposal of investment properties	-	(156)	-	(238)
Interest Expense	4,528	5,237	17,902	18,978
Depreciation and Amortization	1,135	1,633	4,895	5,421
Impairment on goodwill	(698)	-	-	-
Inventory written off	-	-	622	-
Written off of Intangible Assets	87	63	87	63
Written off of Property, Plant and Equipment	-	2	-	2

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 23 November 2021.