



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2020 (Unaudited) RM'000	Current Year To Date 31/12/2021 (Unaudited) RM'000	Preceding Year Corresponding Period 31/12/2020 (Unaudited) RM'000
<b>Revenue</b>	6,130	3,780	6,130	3,780
Cost of sales	(3,366)	(1,875)	(3,366)	(1,875)
Gross profit	2,764	1,905	2,764	1,905
Other income	6,115	5,970	6,115	5,970
Administrative expenses	(3,487)	(3,419)	(3,487)	(3,419)
Other expenses	(1,148)	(3,524)	(1,148)	(3,524)
Finance costs	(4,264)	(4,541)	(4,264)	(4,541)
	(20)	(3,609)	(20)	(3,609)
Share of results in an associate	-	-	-	-
<b>Loss before taxation</b>	(20)	(3,609)	(20)	(3,609)
Income tax expense	-	(85)	-	(85)
<b>Loss after taxation</b>	(20)	(3,694)	(20)	(3,694)
Attributable to:				
Owners of the company	(437)	(4,324)	(437)	(4,324)
Non-Controlling Interest	417	630	417	630
	(20)	(3,694)	(20)	(3,694)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	(20)	(3,694)	(20)	(3,694)
Total comprehensive (loss) / profit attributable to:				
Owners of the company	(437)	(4,324)	(437)	(4,324)
Non-Controlling Interest	417	630	417	630
	(20)	(3,694)	(20)	(3,694)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.04)	(0.55)	(0.04)	(0.55)
- fully diluted (sen)	(0.04)	(0.55)	(0.04)	(0.55)

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 2021.



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	As At End of Current Quarter 31/12/2021 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2021 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5,285	5,784
Investment property	24,495	24,531
Right-of-use assets	72,503	72,995
Goodwill & intangible assets	581	635
Trade receivables	145,800	145,800
	248,664	249,745
<b>CURRENT ASSETS</b>		
Inventories held for resale	1,680	1,669
Trade receivables	13,502	18,898
Other receivables, deposits and prepayments	6,817	4,588
Contract assets	968	-
Current tax assets	181	137
Fixed deposits with licensed banks	52,573	44,413
Cash and bank balances	17,159	18,217
	92,880	87,922
<b>TOTAL ASSETS</b>	341,544	337,667
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	117,956	117,956
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Accumulated loss	(54,980)	(54,543)
<b>SHAREHOLDERS' EQUITY</b>	65,731	66,168
Non-controlling interest	(4,327)	(4,744)
<b>TOTAL EQUITY</b>	61,404	61,424
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	237	250
Long term borrowings	2,965	3,003
Bonds	219,003	219,390
Deferred tax liabilities	10,767	10,767
<b>TOTAL NON-CURRENT LIABILITIES</b>	232,972	233,410
<b>CURRENT LIABILITIES</b>		
Trade payables	3,165	2,991
Contract liabilities	703	1,169
Other payables, deposit received and accruals	15,143	14,197
Bonds	24,502	21,250
Provision for taxation	-	6
Lease Liability	223	270
Bank overdraft	2,490	1,759
Short term borrowings	942	1,191
<b>TOTAL CURRENT LIABILITIES</b>	47,168	42,833
<b>TOTAL LIABILITIES</b>	280,140	276,243
<b>TOTAL EQUITY AND LIABILITIES</b>	341,544	337,667
<b>NET ASSETS PER SHARE (SEN)</b>	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 2021.



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	← Non-Distributable Reserve →				Distributable Reserve	Total	Non-Controlling Interest	Total Equity
	Share Capital	Reserve	Discount On Share	Treasury Shares	Accumulated Loss			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2021	117,956	11,479	(5,475)	(3,249)	(54,543)	66,168	(4,744)	61,424
Total comprehensive loss for the financial period	-	-	-	-	(437)	(437)	417	(20)
At 31 December 2021	117,956	11,479	(5,475)	(3,249)	(54,980)	65,731	(4,327)	61,404
At 1 October 2020	104,937	6,004	-	(3,249)	(47,223)	60,469	(3,765)	56,704
Acquisition of non-controlling interest	-	-	-	-	798	798	(100)	698
Total comprehensive loss 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

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 2021.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	31/12/2021 (Unaudited) RM'000	31/12/2020 (Unaudited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(20)	(3,609)
Adjustments for:-		
Non cash items	488	1,868
Non operating items	(973)	291
Operating profit before working capital changes	(505)	(1,450)
Net changes in current assets	8,813	18,670
Net changes in current liabilities	(366)	(6,180)
Cash from operations	7,942	11,040
Interest paid	(28)	(39)
Income tax paid	(50)	-
Net cash from operating activities	7,864	11,001
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	240	246
Purchase of property, plant and equipment	(67)	(3,030)
Changing of surplus funds placed in FD with licensed banks	(8,480)	(11,464)
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	2,763	2,513
Net placement/(withdrawal) of FD	5,022	-
Net cash from investing activities	(522)	(11,735)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(286)	(80)
Interest paid	(1,318)	(2,649)
Payment of lease liabilities	(61)	(61)
Net cash used in financing activities	(1,665)	(2,790)
Net increase / (decrease) in cash and cash equivalents	5,677	(3,524)
Cash and cash equivalents at beginning of period	24,620	13,753
Cash and cash equivalents at end of period	30,297	10,229
<b>Note:</b>		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	52,573	51,453
Fixed deposits and bank balances - restricted / pledge	(36,945)	(51,939)
Cash and bank balances	17,159	12,489
Bank overdraft	(2,490)	(1,774)
	30,297	10,229

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 2021.



## **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 2021.

### **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 2021, 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 Concessions<sup>7</sup>

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

	<b>Number of shares</b>	<b>31/12/2021 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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# DIGISTAR CORPORATION BERHAD

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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 December 2021

31-Dec-2021 RM'000 The Group	System	Investment	<u>CMS</u> RM	<u>Rental</u> RM	Property	Construction /	<u>Hospitality</u> RM	<u>Elimination</u> RM	<u>Group</u> RM
	<u>Integration</u> RM	<u>Holding</u> RM			<u>Development</u> RM	<u>Concession</u> RM			
<b>REVENUE</b>									
External revenue	(103)	-	1,546	17	(84)	1,238	3,516	-	6,130
Intersegment revenue	-	-	-	10	-	-	-	(10)	-
<b>Total revenue</b>	<b>(103)</b>	<b>-</b>	<b>1,546</b>	<b>27</b>	<b>(84)</b>	<b>1,238</b>	<b>3,516</b>	<b>(10)</b>	<b>6,130</b>
<b>RESULTS</b>									
Segment results (external)	(151)	(193)	426	(61)	(90)	4,312	(240)		4,003
Interest income									241
Finance costs									(4,264)
Share of results in associate									-
Loss from ordinary activities before taxation									(20)
Income tax expense									-
Loss after taxation									(20)
Non-controlling interest									(417)
<b>Net loss attributable to the owners of the Company</b>									<b>(437)</b>

### Results for the period ended 31 December 2020

31-Dec-2020 RM'000 The Group	System	Investment	<u>CMS</u> RM	<u>Rental</u> RM	Property	Construction /	<u>Hospitality</u> RM	<u>Elimination</u> RM	<u>Group</u> RM
	<u>Integration</u> RM	<u>Holding</u> RM			<u>Development</u> RM	<u>Concession</u> RM			
<b>REVENUE</b>									
External revenue	-	60	514	17	-	1,194	1,995	-	3,780
Intersegment revenue	2,860	-	-	10	-	-	-	(2,870)	-
<b>Total revenue</b>	<b>2,860</b>	<b>60</b>	<b>514</b>	<b>27</b>	<b>-</b>	<b>1,194</b>	<b>1,995</b>	<b>(2,870)</b>	<b>3,780</b>
<b>RESULTS</b>									
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)
<b>Net loss attributable to the owners of the Company</b>									<b>(4,324)</b>



## 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 18/02/2022</b>
	<b>RM</b>
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 31 December 2021, the Group registered revenue of RM6.1 million as compared to RM3.8 million for the quarter ended 31 December 2020.

The Group registered a year-to-date loss after tax of RM20.0 thousand for the quarter ended 31 December 2021 which is approximately 0.3% of total group revenue as compared to loss after taxation of RM3.7 million representing 97.4% of total group revenue for the quarter ended 31 December 2020.

The concession asset sector and construction generated revenue of RM1.2 million for 3 months ended 31 December 2021 which is approximately 19.7 % of total group revenue. In the same period of preceding year, this sector generated revenue of RM1.2 million.

The hospitality sector has contributed RM3.5 million in revenue and registered loss before taxation of RM0.9 million for the 3 months ended 31 December 2021 as compared to revenue of RM2.0 million and loss before tax of RM1.4 million in the same period of preceding year. The segment contributed 57.4% of the total Group revenue.

### B2. Variation of Results against Preceding Quarter

	<b>Current Quarter Ended 31/12/2021 RM'000</b>	<b>Preceding Quarter Ended 31/12/2020 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	6,130	3,780	2,350	62.17
Loss before taxation	<u>(20)</u>	<u>(3,609)</u>	<u>3,589</u>	<u>(99.45)</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 2022 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
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Income tax expense for the period	-	(85)	-	(85)

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

On 23 February 2022, the Company proposes to undertake the following:-

- (i) Proposed consolidation of every 3 existing ordinary shares in the Company into 1 share; and
- (ii) Proposed reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016.

Other than above, 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 2021 consist of the following:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured:-			
Bank overdraft	2,490	-	2,490
Lease Liability	223	237	459
Bridging Loan/ Term Loan	942	2,965	3,908
Bonds	24,502	219,003	243,505
Total	<u>28,157</u>	<u>222,205</u>	<u>250,362</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 31/12/2021	Preceding Year Corresponding Quarter 31/12/2020	Current Year To Date 31/12/2021	Preceding Year Corresponding Period 31/12/2020
<b>(a) Basic Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(437)	(4,324)	(437)	(4,324)
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>(0.04)</u>	<u>(0.55)</u>	<u>(0.04)</u>	<u>(0.55)</u>
<b>(b) Diluted Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(437)	(4,324)	(437)	(4,324)
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>(0.04)</u>	<u>(0.55)</u>	<u>(0.04)</u>	<u>(0.55)</u>



## B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2021 RM'000	Preceding Year Corresponding Quarter 31/12/2020 RM'000	Current Year To Date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
Profit / (loss) before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
Doubtful debt no longer required	(245)	-	(245)	-
Allowance for doubtful debt	-	1,034	-	1,034
Interest Income				
> Concession receivables	(5,412)	(5,660)	(5,412)	(5,660)
> Others	(240)	(246)	(240)	(246)
Gain on disposal of investment properties	-	-	-	-
Interest Expense	4,264	4,541	4,264	4,541
Depreciation and Amortization	1,148	1,170	1,148	1,170
Impairment on goodwill	-	698	-	698
Inventory written off	-	622	-	622

## B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 23 February 2022.