



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/3/2021 (Unaudited) RM'000	Current Year To Date 31/3/2022 (Unaudited) RM'000	Preceding Year Corresponding Period 31/3/2021 (Unaudited) RM'000
<b>Revenue</b>	4,324	2,477	10,454	6,257
Cost of sales	(2,939)	(731)	(6,305)	(2,377)
Gross profit	1,385	1,746	4,149	3,880
Other income	6,298	6,558	12,413	12,528
Administrative expenses	(3,377)	(3,101)	(6,864)	(6,749)
Other expenses	(1,211)	(1,323)	(2,359)	(4,847)
Finance costs	(4,212)	(4,746)	(8,476)	(9,287)
	(1,117)	(866)	(1,137)	(4,475)
Share of results in an associate	-	-	-	-
<b>Loss before taxation</b>	(1,117)	(866)	(1,137)	(4,475)
Income tax expense	-	-	-	(85)
<b>Loss after taxation</b>	(1,117)	(866)	(1,137)	(4,560)
Attributable to:				
Owners of the company	(1,525)	(1,503)	(1,962)	(5,827)
Non-Controlling Interest	408	637	825	1,267
	(1,117)	(866)	(1,137)	(4,560)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	(1,117)	(866)	(1,137)	(4,560)
Total comprehensive (loss) / profit attributable to:				
Owners of the company	(1,525)	(1,503)	(1,962)	(5,827)
Non-Controlling Interest	408	637	825	1,267
	(1,117)	(866)	(1,137)	(4,560)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.15)	(0.19)	(0.19)	(0.74)
- fully diluted (sen)	(0.15)	(0.19)	(0.19)	(0.74)

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 MARCH 2022

	As At End of Current Quarter 31/3/2022 (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	4,870	5,784
Investment property	24,459	24,531
Right-of-use assets	72,012	72,995
Goodwill & intangible assets	527	635
Trade receivables	145,800	145,800
	<u>247,668</u>	<u>249,745</u>
<b>CURRENT ASSETS</b>		
Inventories held for resale	1,686	1,669
Trade receivables	13,893	18,898
Other receivables, deposits and prepayments	5,834	4,588
Contract assets	1,410	-
Current tax assets	202	137
Fixed deposits with licensed banks	41,247	44,413
Cash and bank balances	23,589	18,217
	<u>87,861</u>	<u>87,922</u>
<b>TOTAL ASSETS</b>	<u>335,529</u>	<u>337,667</u>
<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	(56,505)	(54,543)
<b>SHAREHOLDERS' EQUITY</b>	<u>64,206</u>	<u>66,168</u>
Non-controlling interest	(3,919)	(4,744)
<b>TOTAL EQUITY</b>	<u>60,287</u>	<u>61,424</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	371	250
Long term borrowings	2,907	3,003
Bonds	219,003	219,390
Deferred tax liabilities	10,767	10,767
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>233,048</u>	<u>233,410</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,671	2,991
Contract liabilities	732	1,169
Other payables, deposit received and accruals	15,553	14,197
Bonds	22,517	21,250
Provision for taxation	-	6
Lease Liability	28	270
Bank overdraft	-	1,759
Short term borrowings	693	1,191
<b>TOTAL CURRENT LIABILITIES</b>	<u>42,194</u>	<u>42,833</u>
<b>TOTAL LIABILITIES</b>	<u>275,242</u>	<u>276,243</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>335,529</u>	<u>337,667</u>
<b>NET ASSETS PER SHARE (SEN)</b>	<u>0.06</u>	<u>0.08</u>

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.



# DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

	← Non-Distributable Reserve →				Distributable Reserve Accumulated Loss	Total	Non-Controlling Interest	Total Equity
	Share Capital	Reserve	Discount On Share	Treasury Shares				
	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	-	-	-	-	(1,962)	(1,962)	825	(1,137)
At 31 March 2022	117,956	11,479	(5,475)	(3,249)	(56,505)	64,206	(3,919)	60,287
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	-	-	-	-	(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

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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

	31/3/2022 (Unaudited) RM'000	31/3/2021 (Unaudited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,137)	(4,475)
Adjustments for:-		
Non cash items	976	1,641
Non operating items	(2,396)	12,318
Operating profit before working capital changes	(2,557)	9,484
Net changes in current assets	15,382	7,349
Net changes in current liabilities	(894)	(2,925)
Cash from operations	11,931	13,908
Interest paid	(68)	(52)
Income tax paid	(71)	(38)
Net cash from operating activities	11,792	13,818
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	511	797
Purchase of property, plant and equipment	(178)	(3,114)
Changing of surplus funds placed in FD with licensed banks	1,483	(7,444)
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	(8,090)	1,777
Net placement/(withdrawal) of FD	7,901	999
Net cash from investing activities	1,627	(6,985)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(594)	(135)
Interest paid	(7,445)	(7,884)
Payment of lease liabilities	(121)	(137)
Net cash used in financing activities	(8,160)	(8,156)
Net increase / (decrease) in cash and cash equivalents	5,259	(1,323)
Cash and cash equivalents at beginning of period	24,620	13,753
Cash and cash equivalents at end of period	29,879	12,430
<b>Note:</b>		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	41,247	45,282
Fixed deposits and bank balances - restricted / pledge	(34,957)	(47,657)
Cash and bank balances	23,589	17,409
Bank overdraft	-	(2,604)
	29,879	12,430

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 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

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 2022, the number of treasury shares repurchased and held are as follow:

	<b>Number of shares</b>	<b>31/3/2022 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

(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 period ended 31 March 2022

31-Mar-2022 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	(329)	-	2,157	32	(83)	2,452	6,225	-	10,454
Intersegment revenue	-	-	-	21	-	-	-	(21)	-
<b>Total revenue</b>	<b>(329)</b>	<b>-</b>	<b>2,157</b>	<b>53</b>	<b>(83)</b>	<b>2,452</b>	<b>6,225</b>	<b>(21)</b>	<b>10,454</b>
<b>RESULTS</b>									
Segment results (external)	(171)	427	36	(215)	(78)	7,975	(1,146)		6,828
Interest income									511
Finance costs									(8,476)
Share of results in associate									-
Loss from ordinary activities before taxation									(1,137)
Income tax expense									-
Loss after taxation									(1,137)
Non-controlling interest									(825)
<b>Net loss attributable to the owners of the Company</b>									<b>(1,962)</b>

### 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	-	2,052	3,035	-	6,257
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>2,052</b>	<b>3,035</b>	<b>(2,875)</b>	<b>6,257</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)
<b>Net loss attributable to the owners of the Company</b>									<b>(5,827)</b>



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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 17/05/2022</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	535,641
Total	<u>979,781</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 2022, the Group registered revenue of RM10.45 million as compared to RM6.26 million for the quarter ended 31 March 2021.

The Group registered a year-to-date loss after tax of RM1.14 million for the quarter ended 31 March 2022 which is approximately 10.9% of total group revenue as compared to loss after taxation of RM4.56 million representing 72.8% of total group revenue for the quarter ended 31 March 2021.

The concession asset sector and construction generated revenue of RM2.45 million for 6 months ended 31 March 2022 which is approximately 23.4 % of total group revenue. In the same period of preceding year, this sector generated revenue of RM2.05 million.

The hospitality sector has contributed RM6.22 million in revenue and registered loss before taxation of RM2.51 million for the 6 months ended 31 March 2022 as compared to revenue of RM3.03 million and loss before tax of RM3.22 million in the same period of preceding year. The segment contributed 59.5% of the total Group revenue.

### B2. Variation of Results against Preceding Quarter

	<b>Current Quarter Ended 31/3/2022 RM'000</b>	<b>Preceding Quarter Ended 31/3/2021 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	4,324	2,477	1,847	74.58
Loss before taxation	<u>(1,117)</u>	<u>(866)</u>	<u>(251)</u>	<u>28.94</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 Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year To Date 31/3/2022 RM'000	Preceding Year Corresponding Period 31/3/2021 RM'000
Income tax expense for the period	-	-	-	(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 Digistar ("Digistar Share(s)" or "Share(s)") held by the shareholders of Digistar, on an entitlement date to be determined and announced later ("Entitlement Date"), into 1 Digistar Share ("Consolidated Share(s)") ("Proposed Share Consolidation"); and
- (ii) Proposed reduction of the issued share capital of Digistar pursuant to Section 116 of the Companies Act 2016 ("Act") ("Proposed Capital Reduction")

(collectively referred to as "Proposals")

On 28 February 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company proposes to undertake the above proposals.

On 14 March 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the application in relation to the Proposed Share Consolidation has been submitted to Bursa Securities.

On 25 March 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that Bursa Securities has vide its letter dated 24 March 2022, approved the Share Consolidation.



On 28 April 2022, the Company had obtained its shareholders' approval on the Proposals.

On 13 May 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the entitlement date for the entitled shareholders to be entitled to participate in the Share Consolidation had resolved to set on 30 May 2022 at 5.00 p.m.

Other than disclosure above, there are no corporate proposals announced but not completed as at the date of this report.

## **B9. Group Borrowings and Debt Securities**

The Group's borrowings (which are all denominated in Ringgit Malaysia) as at 31 March 2022 consist of the following:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured:-			
Bank overdraft	-	-	-
Lease Liability	28	371	399
Bridging Loan/ Term Loan	693	2,907	3,600
Bonds	22,517	219,003	241,520
Total	23,238	222,281	245,519

## **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 31/3/2022	Preceding Year Corresponding Quarter 31/3/2021	Current Year To Date 31/3/2022	Preceding Year Corresponding Period 31/3/2021
<b>(a) Basic Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(1,525)	(1,503)	(1,962)	(5,827)
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>(0.15)</u>	<u>(0.19)</u>	<u>(0.19)</u>	<u>(0.74)</u>
<b>(b) Diluted Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(1,525)	(1,503)	(1,962)	(5,827)
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>(0.15)</u>	<u>(0.19)</u>	<u>(0.19)</u>	<u>(0.74)</u>



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year To Date 31/3/2022 RM'000	Preceding Year Corresponding Period 31/3/2021 RM'000
Profit / (loss) before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
Doubtful debt no longer required	(688)	(1,468)	(933)	(434)
Allowance for doubtful debt	67	-	67	-
Bad debts written off	50	1,983	50	1,983
Interest Income				
> Concession receivables	(5,412)	(5,660)	(10,824)	(11,320)
> Others	(271)	(551)	(511)	(797)
Gain on disposal of investment properties	-	-	-	-
Interest Expense	4,212	4,746	8,476	9,287
Depreciation and Amortization	1,107	1,429	2,255	2,599
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 24 May 2022.