



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 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/9/2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2021 (Audited) RM'000	Current Year To Date 30/9/2022 (Unaudited) RM'000	Preceding Year Corresponding Period 30/9/2021 (Audited) RM'000
Revenue	16,429	12,874	49,472	39,158
Cost of sales	(5,438)	(2,689)	(14,874)	(7,404)
Gross profit	10,991	10,185	34,598	31,754
Other income	399	301	2,559	2,303
Administrative expenses	(4,779)	(4,953)	(16,371)	(14,312)
Other expenses	(2,320)	(2,875)	(5,758)	(9,867)
Finance costs	(4,286)	(4,460)	(16,980)	(17,834)
	5	(1,802)	(1,952)	(7,956)
Share of results in an associate	-	-	-	-
Loss before taxation	5	(1,802)	(1,952)	(7,956)
Income tax expense	(2,588)	(231)	(2,588)	(343)
Loss after taxation	(2,583)	(2,033)	(4,540)	(8,299)
Attributable to:				
Owners of the company	(2,013)	1,340	(5,171)	(6,665)
Non-Controlling Interest	(570)	(3,373)	631	(1,634)
	(2,583)	(2,033)	(4,540)	(8,299)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	(2,583)	(2,033)	(4,540)	(8,299)
Total comprehensive (loss) / profit attributable to:				
Owners of the company	(2,013)	1,340	(5,171)	(6,665)
Non-Controlling Interest	(570)	(3,373)	631	(1,634)
	(2,583)	(2,033)	(4,540)	(8,299)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.25)	0.15	(0.64)	(0.76)
- fully diluted (sen)	(0.25)	0.15	(0.64)	(0.76)

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 30 SEPTEMBER 2022

	As At End of Current Quarter 30/9/2022 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2021 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,184	5,784
Investment property	27,102	24,531
Right-of-use assets	72,158	72,995
Goodwill & intangible assets	418	635
Trade receivables	145,800	145,800
	<u>249,662</u>	<u>249,745</u>
CURRENT ASSETS		
Inventories held for resale	657	1,669
Trade receivables	9,788	18,898
Other receivables, deposits and prepayments	5,462	4,588
Current tax assets	310	137
Fixed deposits with licensed banks	40,273	44,413
Cash and bank balances	15,787	18,217
	<u>72,277</u>	<u>87,922</u>
TOTAL ASSETS	<u>321,939</u>	<u>337,667</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	47,956	117,956
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Retained profits/(Accumulated losses)	10,286	(54,543)
SHAREHOLDERS' EQUITY	<u>60,997</u>	<u>66,168</u>
Non-controlling interest	(4,113)	(4,744)
TOTAL EQUITY	<u>56,884</u>	<u>61,424</u>
NON-CURRENT LIABILITIES		
Lease Liability	36	250
Long term borrowings	2,794	3,003
Bonds	199,093	219,390
Deferred tax liabilities	13,083	10,767
TOTAL NON-CURRENT LIABILITIES	<u>215,006</u>	<u>233,410</u>
CURRENT LIABILITIES		
Trade payables	4,800	2,991
Contract liabilities	711	1,169
Other payables, deposit received and accruals	15,915	14,197
Bonds	23,397	21,250
Provision for taxation	6	6
Lease Liability	240	270
Bank overdraft	3,026	1,759
Short term borrowings	1,954	1,191
TOTAL CURRENT LIABILITIES	<u>50,049</u>	<u>42,833</u>
TOTAL LIABILITIES	<u>265,055</u>	<u>276,243</u>
TOTAL EQUITY AND LIABILITIES	<u>321,939</u>	<u>337,667</u>
NET ASSETS PER SHARE (SEN)	<u>0.17</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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	← Non-Distributable Reserve →				Distributable Reserve		Non-Controlling Interest	Total Equity
	Share Capital	Reserve	Discount On Share	Treasury Shares	Retained Profits/ (Accumulated Losses)	Total		
	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
Reduction of the issued share capital pursuant to Capital Reduction	(70,000)	-	-	-	70,000	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	(5,171)	(5,171)	631	(4,540)
At 30 September 2022	47,956	11,479	(5,475)	(3,249)	10,286	60,997	(4,113)	56,884
At 1 October 2020	104,937	6,004	-	(3,249)	(47,223)	60,469	(3,765)	56,704
Acquisition of non-controlling interest	-	-	-	-	(655)	(655)	655	-
Right issue with warrants	13,019	5,475	(5,475)	-	-	13,019	-	13,019
Total comprehensive loss for the financial period	-	-	-	-	(6,665)	(6,665)	(1,634)	(8,299)
At 30 September 2021	117,956	11,479	(5,475)	(3,249)	(54,543)	66,168	(4,744)	61,424

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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DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	30/9/2022 (Unaudited) RM'000	30/9/2021 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,952)	(7,956)
Adjustments for:-		
Non cash items	2,042	2,287
Non operating items	18,407	24,701
Operating profit before working capital changes	18,497	19,032
Net changes in current assets	9,192	14,266
Net changes in current liabilities	2,894	(4,031)
Cash from operations	30,583	29,267
Interest received	-	43
Interest paid	(151)	(143)
Income tax paid	(445)	(248)
Income tax refund	-	218
Net cash from operating activities	29,987	29,137
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	965	978
Purchase of property, plant and equipment	(1,562)	(151)
Purchase of investment property	(2,733)	(3,767)
Changing of surplus funds placed in FD with licensed banks	(550)	(510)
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	2,994	3,079
Net placement/(withdrawal) of FD	5,392	4,169
Net cash for investing activities	4,506	3,798
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from right issue with warrants	-	13,019
Drawdown of term loan	1,687	1,000
Repayment of term loan	(1,133)	(329)
Interest paid	(14,803)	(15,595)
Repayment of bonds	(20,000)	(20,000)
Payment of lease liabilities	(244)	(242)
Advances from/(Repayment to) directors	-	79
Net cash for financing activities	(34,493)	(22,068)
Net increase in cash and cash equivalents	0	10,867
Cash and cash equivalents at beginning of period	24,620	13,753
Cash and cash equivalents at end of period	24,620	24,620
Note:		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	40,273	44,413
Fixed deposits and bank balances - restricted / pledge	(28,414)	(36,251)
Cash and bank balances	15,787	18,217
Bank overdraft	(3,026)	(1,759)
	24,620	24,620

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

	Number of shares	30/9/2022 RM'000
Balance as at 1 October	2,457,602	3,249
Repurchased	-	-
Total treasury shares held	<u>2,457,602</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 year ended 30 September 2022

30-Sep-2022 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	4,682	179	3,882	66	(187)	26,530	14,320	-	49,472
Intersegment revenue	2,501	-	-	41	-	-	-	(2,542)	-
Total revenue	7,183	179	3,882	107	(187)	26,530	14,320	(2,542)	49,472
RESULTS									
Segment results (external)	(657)	(606)	(485)	(339)	(636)	16,231	555	-	14,063
Interest income									965
Finance costs									(16,980)
Share of results in associate									-
Loss from ordinary activities before taxation									(1,952)
Income tax expense									(2,588)
Loss after taxation									(4,540)
Non-controlling interest									(631)
Net loss attributable to the owners of the Company									(5,171)

Results for the year 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	446	241	2,727	66	-	27,648	8,030	-	39,158
Intersegment revenue	16,810	-	-	41	-	1,372	-	(18,223)	-
Total revenue	17,256	241	2,727	107	-	29,020	8,030	(18,223)	39,158
RESULTS									
Segment results (external)	(4,256)	(1,014)	(1,854)	(338)	(894)	19,442	(2,229)	-	8,857
Interest income									1,021
Finance costs									(17,834)
Share of results in associate									-
Loss from ordinary activities before taxation									(7,956)
Income tax expense									(343)
Loss after taxation									(8,299)
Non-controlling interest									1,634
Net loss attributable to the owners of the Company									(6,665)



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 21/11/2022
	RM
Contingent Liabilities :	
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	732,785
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	190,641
Total	<u>923,426</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 2022, the Group registered revenue of RM49.47 million as compared to RM39.16 million for the quarter ended 30 September 2021.

The Group registered a year-to-date loss after tax of RM4.54 million for the quarter ended 30 September 2022 which is approximately 9.2% of total group revenue as compared to loss after taxation of RM8.30 million representing 21.2% of total group revenue for the quarter ended 30 September 2021.

The concession asset sector and construction generated revenue of RM26.53 million for the year ended 30 September 2022 which is approximately 53.6% of total group revenue. In the same period of preceding year, this sector generated revenue of RM27.65 million.

The hospitality sector has contributed RM14.32 million in revenue and registered loss before taxation of RM2.20 million for the year ended 30 September 2022 as compared to revenue of RM8.03 million and loss before tax of RM4.89 million in the same period of preceding year. The segment contributed 28.9% of the total Group revenue.

B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 30/9/2022 RM'000	Preceding Quarter Ended 30/9/2021 RM'000	Difference	
			RM'000	%
Revenue	16,429	12,874	3,555	27.61
Profit/(Loss) before taxation	<u>5</u>	<u>(1,802)</u>	<u>1,807</u>	<u>(100.30)</u>

B3. Prospects

Despite the challenging business and economic environment in the country, the Board foresee a stronger performance for the Group in 2023.

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

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense for the year	(161)	(53)	(161)	(165)
Underprovision in previous year	(111)	(59)	(111)	(59)
	(272)	(112)	(272)	(224)
Deferred tax expense for the year	(2,316)	(119)	(2,316)	(119)
	(2,588)	(231)	(2,588)	(343)

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 2 June 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company had via its legal counsel, filed an application to the High Court of Malaya in relation to the Capital Reduction pursuant to Section 116 of the Act.

On 4 July 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the High Court of Malaya had on 4 July 2022 granted an order confirming the Capital Reduction.

On 12 July 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that an office copy of the sealed order of the High Court of Malaya confirming the Capital Reduction has been lodged with the Registrar of Companies on 12 July 2022. Pursuant thereto, the Capital Reduction shall therefore take effect and be deemed completed on 12 July 2022.

On 29 August 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company proposes to undertake a proposed private placement of up to 69,927,391 new ordinary shares in the Company, representing up to approximately 20% of the total number of issued shares of the Company to independent third party investor(s) to be identified later, at an issue price to be determined and announced at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Act.



B8. Status of Corporate Proposals (Cont'd)

On 1 September 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 1 September 2022.

On 18 October 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Board has resolved to abort the Proposed Private Placement (which was announced earlier) to pursue a larger share issuance exercise, which will require the specific shareholders' approval to be obtained at an extraordinary general meeting ("EGM") to be convened pursuant to Paragraph 6.05 of the Listing Requirements. The decision was made by the Board after taking into consideration, amongst others, the following:-

1. funding needs for the Group as its business operations are still recovering from business and economic impact of the COVID-19 pandemic; and
2. the compliance requirements to amend the Constitution of the Company ("Constitution") ("Proposed Amendments") to facilitate its fund raising needs in the future (via issuance of new shares under the general mandate under Sections 75 and 76 of the Act or specific shareholders' approval), which requires the Company to convene an EGM for shareholders to approve the Proposed Amendments.

In respect thereof, the Company will submit an application to Bursa Securities for the withdrawal of the listing application in respect of the Proposed Private Placement. On even date, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd has also announced that the Company intends to undertake the following:-

1. proposed private placement of up to 104,891,087 new ordinary shares in Digistar ("Digistar Share(s)" or "Share(s)"), representing up to approximately 30% of the total number of issued Digistar Shares ("Proposed 30% Private Placement") at an issue price to be determined and announced at a later date after receipt of all relevant approvals for the Proposed 30% Private Placement; and
2. proposed amendments to the Constitution to primarily streamline the Constitution to be in line with existing market practices and convention in view of the prevailing statutory and regulatory requirements, and to facilitate and further enhance administrative efficiency.

On 27 October 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 27 October 2022.

On 17 November 2022, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that Bursa Securities has, vide its letter dated 17 November 2022, resolved to approve the listing of and quotation for up to 104,891,087 ordinary shares in Digistar to be issued pursuant to the Proposed Private Placement subject to the following:-

1. Digistar and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
2. Digistar and UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement; and
3. Digistar to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

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 30 September 2022 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	3,026	-	3,026
Lease Liability	240	36	276
Bridging Loan/ Term Loan	1,954	2,794	4,748
Bonds	23,397	199,093	222,490
Total	<u>28,617</u>	<u>201,923</u>	<u>230,540</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 30/9/2022	Preceding Year Corresponding Quarter 30/9/2021	Current Year To Date 30/9/2022	Preceding Year Corresponding Period 30/9/2021
(a) Basic Earnings Per Share				
Net (loss)/profit attributable to members of the Company (RM'000)	(2,013)	1,340	(5,171)	(6,665)
Weighted average number of ordinary shares in issue	813,269,739	875,564,994	813,269,739	875,564,994
Basic (loss)/profit per share (sen)	(0.25)	0.15	(0.64)	(0.76)
(b) Diluted Earnings Per Share				
Net (loss)/profit attributable to members of the Company (RM'000)	(2,013)	1,340	(5,171)	(6,665)
Weighted average number of ordinary shares in issue	813,269,739	875,564,994	813,269,739	875,564,994
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	813,269,739	875,564,994	813,269,739	875,564,994
Diluted (loss)/profit per share (sen)	(0.25)	0.15	(0.64)	(0.76)



B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
Doubtful debt no longer required	(111)	(635)	(1,352)	(1,707)
Allowance for doubtful debt	1,260	3,669	1,358	4,447
Bad debts written off	-	(38)	50	1,942
Interest Income	(195)	(254)	(965)	(1,021)
Interest Expense	4,286	4,460	16,980	17,834
Depreciation and Amortization	1,068	1,080	4,378	4,840
Impairment on goodwill	-	(698)	-	-
Inventory written off	-	-	-	622
Written off of Intangible Assets	-	86	-	86
Net Foreign Exchange Loss / (Gain)	(14)	(55)	(106)	(55)

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 24 November 2022.