



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 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2021 (Unaudited) RM'000	Current Year To Date 31/12/2022 (Unaudited) RM'000	Preceding Year Corresponding Period 31/12/2021 (Unaudited) RM'000
Revenue	14,068	11,542	14,068	11,542
Cost of sales	(5,141)	(3,366)	(5,141)	(3,366)
Gross profit	8,927	8,176	8,927	8,176
Other income	637	703	637	703
Administrative expenses	(3,973)	(3,487)	(3,973)	(3,487)
Other expenses	(1,395)	(1,148)	(1,395)	(1,148)
Finance costs	(4,061)	(4,264)	(4,061)	(4,264)
	135	(20)	135	(20)
Share of results in an associate	-	-	-	-
Profit/(Loss) before taxation	135	(20)	135	(20)
Income tax expense	(29)	-	(29)	-
Profit/(Loss) after taxation	106	(20)	106	(20)
Attributable to:				
Owners of the company	(198)	(437)	(198)	(437)
Non-Controlling Interest	304	417	304	417
	106	(20)	106	(20)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	106	(20)	106	(20)
Total comprehensive (loss) / profit attributable to:				
Owners of the company	(198)	(437)	(198)	(437)
Non-Controlling Interest	304	417	304	417
	106	(20)	106	(20)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.06)	(0.04)	(0.06)	(0.04)
- fully diluted (sen)	(0.06)	(0.04)	(0.06)	(0.04)

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 2022.



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	As At End of Current Quarter 31/12/2022 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2021 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,846	4,184
Investment property	27,062	27,102
Right-of-use assets	71,734	72,156
Goodwill & intangible assets	362	417
Trade receivables	136,609	136,609
	239,613	240,468
CURRENT ASSETS		
Inventories held for resale	622	657
Trade receivables	15,759	19,554
Other receivables, deposits and prepayments	7,544	4,862
Contract assets	1,849	-
Current tax assets	602	310
Fixed deposits with licensed banks	46,824	40,099
Cash and bank balances	12,283	16,510
	85,483	81,992
TOTAL ASSETS	325,096	322,460
EQUITY AND LIABILITIES		
EQUITY		
Share capital	47,956	47,956
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Retained profits	11,437	10,212
SHAREHOLDERS' EQUITY	62,148	60,923
Non-controlling interest	(5,233)	(4,114)
TOTAL EQUITY	56,915	56,809
NON-CURRENT LIABILITIES		
Lease Liability	6	44
Long term borrowings	2,762	3,893
Bonds	199,093	200,974
Deferred tax liabilities	13,083	13,083
TOTAL NON-CURRENT LIABILITIES	214,944	217,994
CURRENT LIABILITIES		
Trade payables	3,676	5,132
Contract liabilities	628	983
Other payables, deposit received and accruals	16,946	16,465
Bonds	25,895	21,430
Provision for taxation	-	6
Lease Liability	256	253
Bank overdraft	2,821	2,533
Short term borrowings	3,015	855
TOTAL CURRENT LIABILITIES	53,237	47,657
TOTAL LIABILITIES	268,181	265,651
TOTAL EQUITY AND LIABILITIES	325,096	322,460
NET ASSETS PER SHARE (SEN)	0.18	0.17

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's annual financial report for the financial year ended 30 September 2022.



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 2022	47,956	11,479	(5,475)	(3,249)	10,212	60,923	(4,114)	56,809
Acquisition of non-controlling	-	-	-	-	1,423	1,423	(1,423)	-
Total comprehensive loss for the financial period	-	-	-	-	(198)	(198)	304	106
At 31 December 2022	47,956	11,479	(5,475)	(3,249)	11,437	62,148	(5,233)	56,915
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

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 2022.

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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

	31/12/2022 (Unaudited) RM'000	31/12/2021 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	135	(20)
Adjustments for:-		
Non cash items	428	488
Non operating items	4,204	4,439
Operating profit before working capital changes	4,767	4,907
Net changes in current assets	1,361	3,401
Net changes in current liabilities	(3,256)	(366)
Cash from operations	2,872	7,942
Interest paid	(46)	(28)
Income tax paid	(327)	(50)
Net cash from operating activities	2,499	7,864
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	235	240
Purchase of property, plant and equipment	(163)	(67)
Changing of surplus funds placed in FD with licensed banks	(18,460)	(8,480)
Placement of deposits in Debt Service Reserve Accounts	882	2,763
Net placement of FD	12,462	5,022
Net cash for investing activities	(5,044)	(522)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loan	1,054	-
Repayment of term loan	(25)	(286)
Interest paid	(1,354)	(1,318)
Payment of lease liabilities	(35)	(61)
Net cash for financing activities	(360)	(1,665)
Net (decrease)/increase in cash and cash equivalents	(2,905)	5,677
Cash and cash equivalents at beginning of period	19,744	24,620
Cash and cash equivalents at end of period	16,839	30,297
Note:		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	46,824	52,573
Fixed deposits and bank balances - restricted / pledge	(39,447)	(36,945)
Cash and bank balances	12,283	17,159
Bank overdraft	(2,821)	(2,490)
	16,839	30,297

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 2022.



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 2022.

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 2022, 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	31/12/2022 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 period ended 31 December 2022

31-Dec-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	1,661	45	949	17	-	6,338	5,058	-	14,068
Intersegment revenue	-	-	-	8	-	-	-	(8)	-
Total revenue	1,661	45	949	25	-	6,338	5,058	(8)	14,068
RESULTS									
Segment results (external)	525	78	(370)	(109)	(5)	3,649	193		3,961
Interest income									235
Finance costs									(4,061)
Share of results in associate									-
Profit from ordinary activities before taxation									135
Income tax expense									(29)
Profit after taxation									106
Non-controlling interest									(304)
Net loss attributable to the owners of the Company									(198)

Results for the period ended 31 December 2021

31-Dec-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	(103)	-	1,546	17	(84)	6,650	3,516	-	11,542
Intersegment revenue	-	-	-	10	-	-	-	(10)	-
Total revenue	(103)	-	1,546	27	(84)	6,650	3,516	(10)	11,542
RESULTS									
Segment results (external)	(151)	(193)	427	(61)	(90)	4,312	(240)		4,004
Interest income									240
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)
Net loss attributable to the owners of the Company									(437)



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

On 30 December 2022, the Company disposed 100% equity interest in Panorama Tv Asia Broadcast Sdn. Bhd. (formerly known as Digistar Rauland MSC Sdn. Bhd.) for cash consideration of RM500,000.

On 30 December 2022, Digistar Holdings Sdn. Bhd., a wholly-owned subsidiary company of the Group, acquired 60% equity interest in Panorama Tv Asia Broadcast Sdn. Bhd. (formerly known as Digistar Rauland MSC Sdn. Bhd.) for cash consideration of RM300,000.

Other than disclosure above, 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 16/2/2023
Contingent Liabilities :	RM
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	370,641
Total	<u>1,103,426</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 31 December 2022, the Group registered revenue of RM14.07 million as compared to RM11.54 million for the quarter ended 31 December 2021.

The Group registered a year-to-date profit after tax of RM106 thousand for the quarter ended 31 December 2022 which is approximately 0.75% of total group revenue as compared to loss after taxation of RM20 thousand representing 0.17% of total group revenue for the quarter ended 31 December 2021.

The concession asset sector and construction generated revenue of RM6.34 million for the period ended 31 December 2022 which is approximately 45.1% of total group revenue. In the same period of preceding year, this sector generated revenue of RM6.65 million.

The hospitality sector has contributed RM5.06 million in revenue and registered loss before taxation of RM0.51 million for the period ended 31 December 2022 as compared to revenue of RM3.52 million and loss before tax of RM0.92 million in the same period of preceding year. The segment contributed 35.9% of the total Group revenue.

B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 31/12/2022 RM'000	Preceding Quarter Ended 31/12/2021 RM'000	Difference	
			RM'000	%
Revenue	14,068	11,542	2,526	21.89
Profit/(Loss) before taxation	<u>135</u>	<u>(20)</u>	<u>155</u>	<u>(772.61)</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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
Income tax expense for the year	(29)	-	(29)	-

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 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.

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.



B8. Status of Corporate Proposals (Cont'd)

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.

On 3 January 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Board has resolved to fix the issue price for the Private Placement at RM0.063 per Placement Share.

The issue price of RM0.063 represents a discount of RM0.0063 or approximately 9.09% to the 5-day VWAP of Digistar Shares up to and including 30 December 2022, being the market day immediately preceding the price-fixing date of RM0.0693 per Digistar Share.

On 12 January 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that 104,153,806 Placement Shares were issued pursuant to the Private Placement and were listed and quoted on the Main Market of Bursa Securities on Thursday, 12 January 2022, marking the completion of the Private Placement.

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 December 2022 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	2,821	-	2,821
Lease Liability	256	6	262
Bridging Loan/ Term Loan	3,015	2,762	5,777
Bonds	25,895	199,093	224,988
Total	<u>31,987</u>	<u>201,861</u>	<u>233,848</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 31/12/2022	Preceding Year Corresponding Quarter 31/12/2021	Current Year To Date 31/12/2022	Preceding Year Corresponding Period 31/12/2021
(a) Basic Earnings Per Share				
Net loss attributable to members of the Company (RM'000)	(198)	(437)	(198)	(437)
Weighted average number of ordinary shares in issue	349,636,958	1,048,916,802	349,636,958	1,048,916,802
Basic loss per share (sen)	<u>(0.06)</u>	<u>(0.04)</u>	<u>(0.06)</u>	<u>(0.04)</u>
(b) Diluted Earnings Per Share				
Net loss attributable to members of the Company (RM'000)	(198)	(437)	(198)	(437)
Weighted average number of ordinary shares in issue	349,636,958	1,048,916,802	349,636,958	1,048,916,802
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>349,636,958</u>	<u>1,048,916,802</u>	<u>349,636,958</u>	<u>1,048,916,802</u>
Diluted loss per share (sen)	<u>(0.06)</u>	<u>(0.04)</u>	<u>(0.06)</u>	<u>(0.04)</u>



B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Year	To Date	Year
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	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	(598)	(245)	(598)	(245)
Allowance for doubtful debt	386	-	386	-
Interest Income	(235)	(240)	(235)	(240)
Interest Expense	4,061	4,264	4,061	4,264
Depreciation and Amortization	1,018	1,148	1,018	1,148

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 22 February 2023.