



# 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 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/3/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/3/2022 (Unaudited) RM'000	Current Year To Date 31/3/2023 (Unaudited) RM'000	Preceding Year Corresponding Period 31/3/2022 (Unaudited) RM'000
<b>Revenue</b>	11,434	9,736	25,502	21,278
Cost of sales	(4,827)	(2,939)	(9,968)	(6,305)
Gross profit	6,607	6,797	15,534	14,973
Other income	2,499	886	3,136	1,589
Administrative expenses	(4,198)	(3,377)	(8,171)	(6,864)
Other expenses	(797)	(1,211)	(2,192)	(2,359)
Finance costs	(3,967)	(4,212)	(8,028)	(8,476)
	144	(1,117)	279	(1,137)
Share of results in an associate	-	-	-	-
<b>Profit/(Loss) before taxation</b>	144	(1,117)	279	(1,137)
Income tax expense	(28)	-	(57)	-
<b>Profit/(Loss) after taxation</b>	116	(1,117)	222	(1,137)
Attributable to:				
Owners of the company	(26)	(1,525)	(224)	(1,962)
Non-Controlling Interest	142	408	446	825
	116	(1,117)	222	(1,137)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
<b>Total for the quarter / cumulative quarter</b>	<b>116</b>	<b>(1,117)</b>	<b>222</b>	<b>(1,137)</b>
Total comprehensive profit / (loss) attributable to:				
Owners of the company	(26)	(1,525)	(224)	(1,962)
Non-Controlling Interest	142	408	446	825
	116	(1,117)	222	(1,137)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.01)	(0.15)	(0.06)	(0.19)
- fully diluted (sen)	(0.01)	(0.15)	(0.06)	(0.19)

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 MARCH 2023

	As At End of Current Quarter 31/3/2023 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2022 (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,476	4,184
Investment property	27,010	27,102
Right-of-use assets	71,238	72,156
Other investment	745	-
Goodwill & intangible assets	309	417
Trade receivables	136,609	136,609
	<u>239,387</u>	<u>240,468</u>
<b>CURRENT ASSETS</b>		
Inventories held for resale	654	657
Trade receivables	12,415	19,554
Other receivables, deposits and prepayments	8,756	4,862
Contract assets	3,117	-
Current tax assets	801	310
Fixed deposits with licensed banks	51,993	40,099
Cash and bank balances	15,524	16,510
	<u>93,260</u>	<u>81,992</u>
<b>TOTAL ASSETS</b>	<u>332,647</u>	<u>322,460</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	54,518	47,956
Warrant reserve	6,004	6,004
Treasury shares, at cost	(3,249)	(3,249)
Retained profits	11,411	10,212
<b>SHAREHOLDERS' EQUITY</b>	<u>68,684</u>	<u>60,923</u>
Non-controlling interest	(5,091)	(4,114)
<b>TOTAL EQUITY</b>	<u>63,593</u>	<u>56,809</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease Liability	2	44
Long term borrowings	2,705	3,893
Bonds	199,093	200,974
Deferred tax liabilities	13,083	13,083
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>214,883</u>	<u>217,994</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	4,297	5,132
Contract liabilities	665	983
Other payables, deposit received and accruals	17,489	16,465
Bonds	24,069	21,430
Provision for taxation	-	6
Lease Liability	218	253
Bank overdraft	3,321	2,533
Short term borrowings	4,112	855
<b>TOTAL CURRENT LIABILITIES</b>	<u>54,171</u>	<u>47,657</u>
<b>TOTAL LIABILITIES</b>	<u>269,054</u>	<u>265,651</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>332,647</u>	<u>322,460</u>
<b>NET ASSETS PER SHARE (SEN)</b>	<u>0.15</u>	<u>0.17</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 2022.



# 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 2023

	← 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
Issuance of Shares pursuant to: - private placement	6,562	-	-	-	-	6,562	-	6,562
Acquisition of non-controlling Total comprehensive (loss)/profit for the financial period	-	-	-	-	1,423	1,423	(1,423)	-
	-	-	-	-	(224)	(224)	446	222
At 31 March 2023	54,518	11,479	(5,475)	(3,249)	11,411	68,684	(5,091)	63,593
At 1 October 2021	117,956	11,479	(5,475)	(3,249)	(54,543)	66,168	(4,744)	61,424
Total comprehensive (loss)/profit 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

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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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	31/3/2023 (Unaudited) RM'000	31/3/2022 (Unaudited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	279	(1,137)
Adjustments for:-		
Non cash items	856	976
Non operating items	6,158	8,428
Operating profit before working capital changes	7,293	8,267
Net changes in current assets	5,718	4,558
Net changes in current liabilities	(3,366)	(894)
Cash from operations	9,645	11,931
Interest paid	(78)	(68)
Income tax paid	(554)	(71)
Net cash from operating activities	9,013	11,792
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	582	511
Purchase of property, plant and equipment	(212)	(178)
Acquisition of other investment	(745)	-
Changing of surplus funds placed in FD with licensed banks	(18,894)	1,483
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	160	(8,090)
Net placement of FD	11,962	7,901
Net cash (for)/from investing activities	(7,147)	1,627
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from private placements	6,562	-
Drawdown of term loan	2,135	-
Repayment of term loan	(66)	(594)
Interest paid	(7,071)	(7,445)
Payment of lease liabilities	(77)	(121)
Net cash from/(for) financing activities	1,483	(8,160)
Net increase in cash and cash equivalents	3,349	5,259
Cash and cash equivalents at beginning of period	19,744	24,620
Cash and cash equivalents at end of period	23,093	29,879
<b>Note:</b>		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	51,993	41,247
Fixed deposits and bank balances - restricted / pledge	(41,103)	(34,957)
Cash and bank balances	15,524	25,379
Bank overdraft	(3,321)	(1,790)
	23,093	29,879

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 2023:

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
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 -2020

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:

	<b>Number of shares</b>	<b>31/3/2023 RM'000</b>
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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# 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 2023

31-Mar-2023 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	2,527	44	1,477	33	-	12,621	8,800	-	25,502
Intersegment revenue	-	-	-	17	-	-	-	(17)	-
<b>Total revenue</b>	<b>2,527</b>	<b>44</b>	<b>1,477</b>	<b>50</b>	<b>-</b>	<b>12,621</b>	<b>8,800</b>	<b>(17)</b>	<b>25,502</b>
<b>RESULTS</b>									
Segment results (external)	1,853	(112)	(456)	(297)	4	6,940	(207)	-	7,725
Interest income									582
Finance costs									(8,028)
Share of results in associate									-
Profit from ordinary activities before taxation									279
Income tax expense									(57)
Profit after taxation									222
Non-controlling interest									(446)
Net loss attributable to the owners of the Company									(224)

### Results for the period ended 31 March 2022

31-Mar-2022 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	(419)	90	2,157	32	(83)	13,276	6,225	-	21,278
Intersegment revenue	-	-	-	21	-	-	-	(21)	-
<b>Total revenue</b>	<b>(419)</b>	<b>90</b>	<b>2,157</b>	<b>53</b>	<b>(83)</b>	<b>13,276</b>	<b>6,225</b>	<b>(21)</b>	<b>21,278</b>
<b>RESULTS</b>									
Segment results (external)	(171)	(299)	35	(134)	(78)	8,621	(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)
Net loss attributable to the owners of the Company									(1,962)



## 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).

	<b>As at 19/5/2023</b>
Contingent Liabilities :	<b>RM</b>
Unsecured :	
Guarantee given to a subsidiary's supplier for credit facility	580,285
Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	370,641
Total	<u>950,926</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 2023, the Group registered revenue of RM25.50 million as compared to RM21.28 million for the quarter ended 31 March 2022.

The Group registered a year-to-date profit after tax of RM222 thousand for the quarter ended 31 March 2023 which is approximately 0.87% of total group revenue as compared to loss after taxation of RM1.14 million representing 5.36% of total group revenue for the quarter ended 31 March 2022.

The concession asset sector and construction generated revenue of RM12.62 million for the period ended 31 March 2023 which is approximately 49.5% of total group revenue. In the same period of preceding year, this sector generated revenue of RM13.28 million.

The hospitality sector has contributed RM8.80 million in revenue and registered loss before taxation of RM1.61 million for the period ended 31 March 2023 as compared to revenue of RM6.22 million and loss before tax of RM2.51 million in the same period of preceding year. The segment contributed 34.5% of the total Group revenue.

### B2. Variation of Results against Preceding Quarter

	<b>Current Quarter Ended 31/3/2023 RM'000</b>	<b>Preceding Quarter Ended 31/3/2022 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	11,434	9,736	1,698	17.44
Profit/(Loss) before taxation	<u>144</u>	<u>(1,117)</u>	<u>1,261</u>	<u>(112.88)</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 31/3/2023 RM'000	Preceding Year Corresponding Quarter 31/3/2022 RM'000	Current Year To Date 31/3/2023 RM'000	Preceding Year Corresponding Period 31/3/2022 RM'000
Income tax expense for the year	(28)	-	(57)	-

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

	Current Quarter Ended 31/3/2023 RM'000	Cumulative Quarter Ended 31/3/2023 RM'000
Acquisition of quoted securities	745	745

Other than the above, there was no other purchase or disposal of quoted securities for the current quarter and financial period-to-date.

## B8. Status of Corporate Proposals

On 3 May 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company proposes to undertake a bonus issue of up to 113,447,691 warrants in Digistar ("Warrant(s) D") on the basis of 1 Warrant D for every 4 existing ordinary shares in Digistar held by the shareholders of Digistar whose names appear in the Company's Record of Depositors on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants").

On 5 May 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the application in relation to the Proposed Bonus Issue of Warrants has been submitted to Bursa Securities on 5 May 2023.

On 11 May 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company had on 10 May 2023 withdrawn the listing application in relation to the Proposed Bonus Issue of Warrants, which was previously submitted to Bursa Securities on 5 May 2023. The application in relation to the Proposed Bonus Issue of Warrants has been re-submitted to Bursa Securities on the same date.



## B8. Status of Corporate Proposals (Cont'd)

On 22 May 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that Bursa Securities has, vide its letter dated 22 May 2023, resolved to approve the following:-

1. admission to the Official List and listing of and quotation for up to 135,146,310 new Warrants D to be issued pursuant to the Proposed Bonus Issue of Warrants; and
2. listing of and quotation for up to 135,146,310 new ordinary shares to be issued arising from the exercise of the new Warrants D.

The approval by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions:-

1. UOBKH and Digistar must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;
2. UOBKH to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;
3. UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed;
4. payment of listing fees, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable; and
5. Digistar to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of new Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.

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 2023 consist of the following:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured:-			
Bank overdraft	3,321	-	3,321
Lease Liability	218	2	220
Bridging Loan/ Term Loan	4,112	2,705	6,817
Bonds	24,069	199,093	223,162
Total	31,720	201,800	233,520

## 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 31/3/2023	Preceding Year Corresponding Quarter 31/3/2022	Current Year To Date 31/3/2023	Preceding Year Corresponding Period 31/3/2022
<b>(a) Basic Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(26)	(1,525)	(224)	(1,962)
Weighted average number of ordinary shares in issue	394,846,577	1,048,916,802	394,846,577	1,048,916,802
Basic loss per share (sen)	<u>(0.01)</u>	<u>(0.15)</u>	<u>(0.06)</u>	<u>(0.19)</u>
<b>(b) Diluted Earnings Per Share</b>				
Net loss attributable to members of the Company (RM'000)	(26)	(1,525)	(224)	(1,962)
Weighted average number of ordinary shares in issue	394,846,577	1,048,916,802	394,846,577	1,048,916,802
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>394,846,577</u>	<u>1,048,916,802</u>	<u>394,846,577</u>	<u>1,048,916,802</u>
Diluted loss per share (sen)	<u>(0.01)</u>	<u>(0.15)</u>	<u>(0.06)</u>	<u>(0.19)</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
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	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	(243)	(688)	(841)	(933)
(Reversal)/Allowance for doubtful debt	(2,015)	67	(1,629)	67
Bad debts written off	-	50	-	50
Interest Income	(347)	(271)	(582)	(511)
Interest Expense	3,967	4,212	8,028	8,476
Depreciation and Amortization	1,020	1,107	2,038	2,255

## B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 30 May 2023.