



DIGISTAR CORPORATION BERHAD

(Co. No. 603652-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/6/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2022 (Unaudited) RM'000	Current Year To Date 30/6/2023 (Unaudited) RM'000	Preceding Year Corresponding Period 30/6/2022 (Unaudited) RM'000
Revenue	10,726	11,765	36,228	33,043
Cost of sales	(1,911)	(4,059)	(11,879)	(10,364)
Gross profit	8,815	7,706	24,349	22,679
Other income	707	571	3,843	2,160
Administrative expenses	(4,215)	(3,800)	(12,386)	(10,664)
Other expenses	(1,214)	(1,079)	(3,406)	(3,438)
Finance costs	(3,988)	(4,218)	(12,016)	(12,694)
	105	(820)	384	(1,957)
Share of results in an associate	-	-	-	-
Profit/(Loss) before taxation	105	(820)	384	(1,957)
Income tax expense	(30)	-	(87)	-
Profit/(Loss) after taxation	75	(820)	297	(1,957)
Attributable to:				
Owners of the company	(252)	(1,196)	(476)	(3,158)
Non-Controlling Interest	327	376	773	1,201
	75	(820)	297	(1,957)
Other Comprehensive income:				
Changes in fair value of available-for-sale investments	-	-	-	-
Effects of foreign exchange differences	-	-	-	-
Total for the quarter / cumulative quarter	75	(820)	297	(1,957)
Total comprehensive profit / (loss) attributable to:				
Owners of the company	(252)	(1,196)	(476)	(3,158)
Non-Controlling Interest	327	376	773	1,201
	75	(820)	297	(1,957)
Loss per share attributable to owners of the company:				
- basic (sen)	(0.06)	(0.16)	(0.11)	(0.44)
- fully diluted (sen)	(0.06)	(0.16)	(0.11)	(0.44)

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 30 JUNE 2023

	As At End of Current Quarter 30/6/2023 (Unaudited) RM'000	As At Preceding Financial Year Ended 30/9/2022 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,133	4,184
Investment property	26,959	27,102
Right-of-use assets	70,782	72,156
Other investment	634	-
Goodwill & intangible assets	254	417
Trade receivables	136,609	136,609
	238,371	240,468
CURRENT ASSETS		
Inventories held for resale	710	657
Trade receivables	14,438	19,554
Other receivables, deposits and prepayments	8,086	4,862
Contract assets	2,672	-
Current tax assets	1,100	310
Fixed deposits with licensed banks	54,130	40,099
Cash and bank balances	14,460	16,510
	95,596	81,992
TOTAL ASSETS	333,967	322,460
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,522	47,956
Warrant reserve	-	6,004
Treasury shares, at cost	(3,249)	(3,249)
Retained profits	11,159	10,212
SHAREHOLDERS' EQUITY	68,432	60,923
Non-controlling interest	(4,764)	(4,114)
TOTAL EQUITY	63,668	56,809
NON-CURRENT LIABILITIES		
Lease Liability	7	44
Long term borrowings	2,643	3,893
Bonds	199,093	200,974
Deferred tax liabilities	13,083	13,083
TOTAL NON-CURRENT LIABILITIES	214,826	217,994
CURRENT LIABILITIES		
Trade payables	3,659	5,132
Contract liabilities	572	983
Other payables, deposit received and accruals	17,009	16,465
Bonds	26,654	21,430
Provision for taxation	-	6
Lease Liability	171	253
Bank overdraft	2,700	2,533
Short term borrowings	4,708	855
TOTAL CURRENT LIABILITIES	55,473	47,657
TOTAL LIABILITIES	270,299	265,651
TOTAL EQUITY AND LIABILITIES	333,967	322,460
NET ASSETS PER SHARE (SEN)	0.15	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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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	-	-	-	-	1,423	1,423	(1,423)	-
Transfer of reserve upon expiry of warrants	6,004	(6,004)	-	-	-	-	-	-
Total comprehensive (loss)/profit for the financial period	-	-	-	-	(476)	(476)	773	297
At 30 June 2023	60,522	5,475	(5,475)	(3,249)	11,159	68,432	(4,764)	63,668
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	-	-	-	-	(3,158)	(3,158)	1,201	(1,957)
At 30 June 2022	117,956	11,479	(5,475)	(3,249)	(57,701)	63,010	(3,543)	59,467

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.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

	30/6/2023 (Unaudited) RM'000	30/6/2022 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	384	(1,957)
Adjustments for:-		
Non cash items	1,283	1,464
Non operating items	11,703	12,677
Operating profit before working capital changes	13,370	12,184
Net changes in current assets	3,026	4,437
Net changes in current liabilities	(4,173)	781
Cash from operations	12,223	17,402
Interest paid	(121)	(102)
Income tax paid	(883)	(268)
Net cash from operating activities	11,219	17,032
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	987	770
Purchase of property, plant and equipment	(304)	(305)
Acquisition of other investment	(1,381)	-
Proceeds from disposal of other investment	639	-
Changing of surplus funds placed in FD with licensed banks	(26,205)	(17,624)
Placement/(Withdrawal) of deposits in Debt Service Reserve Account	(565)	3,717
Net placement of FD	12,316	5,408
Net cash for investing activities	(14,513)	(8,034)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Proceeds from private placements	6,562	-
Drawdown of term loan	2,731	1,177
Repayment of term loan	(129)	(913)
Interest paid	(8,392)	(8,723)
Payment of lease liabilities	(119)	(182)
Net cash from/(for) financing activities	653	(8,641)
Net (decrease)/increase in cash and cash equivalents	(2,641)	357
Cash and cash equivalents at beginning of period	19,744	24,620
Cash and cash equivalents at end of period	17,103	24,977
Note:		
Cash and cash equivalents comprise of the following:		
Fixed deposits with licensed bank	54,130	59,652
Fixed deposits and bank balances - restricted / pledge	(48,787)	(44,751)
Cash and bank balances	14,460	13,131
Bank overdraft	(2,700)	(3,055)
	17,103	24,977

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:

	Number of shares	30/6/2023 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.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



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 30 June 2023

30-Jun-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			
REVENUE									
External revenue	2,684	77	2,182	50	-	18,960	12,275	-	36,228
Intersegment revenue	-	-	-	26	-	-	-	(26)	-
Total revenue	2,684	77	2,182	76	-	18,960	12,275	(26)	36,228
RESULTS									
Segment results (external)	829	(309)	(546)	(873)	888	10,780	644	-	11,413
Interest income									987
Finance costs									(12,016)
Share of results in associate									-
Profit from ordinary activities before taxation									384
Income tax expense									(87)
Profit after taxation									297
Non-controlling interest									(773)
Net loss attributable to the owners of the Company									(476)

Results for the period ended 30 June 2022

30-Jun-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			
REVENUE									
External revenue	130	135	2,917	49	(187)	19,944	10,055	-	33,043
Intersegment revenue	-	-	-	31	-	-	-	(31)	-
Total revenue	130	135	2,917	80	(187)	19,944	10,055	(31)	33,043
RESULTS									
Segment results (external)	(161)	(645)	(174)	(266)	(178)	12,822	(1,431)	-	9,967
Interest income									770
Finance costs									(12,694)
Share of results in associate									-
Loss from ordinary activities before taxation									(1,957)
Income tax expense									-
Loss after taxation									(1,957)
Non-controlling interest									(1,201)
Net loss attributable to the owners of the Company									(3,158)



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 17/8/2023
Contingent Liabilities :	RM
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	<u>180,000</u>
Total	<u><u>760,285</u></u>

A12. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

B1. Review of the Performance

For the quarter ended 30 June 2023, the Group registered revenue of RM36.23 million as compared to RM33.04 million for the quarter ended 30 June 2022.

The Group registered a year-to-date profit after tax of RM297 thousand for the quarter ended 30 June 2023 which is approximately 0.82% of total group revenue as compared to loss after taxation of RM1.96 million representing 5.93% of total group revenue for the quarter ended 30 June 2022.

The concession asset sector and construction generated revenue of RM18.96 million for the period ended 30 June 2023 which is approximately 52.3% of total group revenue. In the same period of preceding year, this sector generated revenue of RM19.94 million.

The hospitality sector has contributed RM12.27 million in revenue and registered loss before taxation of RM1.44 million for the period ended 30 June 2023 as compared to revenue of RM10.05 million and loss before tax of RM3.49 million in the same period of preceding year. The segment contributed 33.9% of the total Group revenue.

B2. Variation of Results against Preceding Quarter

	Current Quarter Ended 30/6/2023 RM'000	Preceding Quarter Ended 30/6/2022 RM'000	Difference	
			RM'000	%
Revenue	10,726	11,765	(1,039)	(8.83)
Profit/(Loss) before taxation	<u>105</u>	<u>(820)</u>	<u>925</u>	<u>(112.81)</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 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year To Date 30/6/2023 RM'000	Preceding Year Corresponding Period 30/6/2022 RM'000
Income tax expense for the year	(58)	-	(87)	-

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 30/6/2023 RM'000	Cumulative Quarter Ended 30/6/2023 RM'000
Acquisition of quoted securities	636	1,381
Disposal of quoted securities	(747)	(747)
	(111)	634

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.



B8. Status of Corporate Proposals (Cont'd)

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.

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.

On 16 June 2023, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Board had on even date resolved to fix the exercise price of the Warrants D at RM0.06 per Warrant D.

The exercise price of RM0.06 per Warrant D represents a discount of RM0.02 or approximately 25.0% to the 5-day VWAP of Digistar Shares up to and including Thursday, 15 June 2023, being the last trading day immediately preceding the price-fixing date of RM0.08 per Digistar Share.

Further, on behalf of the Board, UOBKH announced that Digistar had on even date, executed the Deed Poll constituting the Warrants D.

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 June 2023 consist of the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:-			
Bank overdraft	2,700	-	2,700
Lease Liability	171	7	178
Bridging Loan/ Term Loan	4,708	2,643	7,351
Bonds	26,654	199,093	225,747
	<u>34,233</u>	<u>201,743</u>	<u>235,976</u>
Total	34,233	201,743	235,976

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 30/6/2023	Preceding Year Corresponding Quarter 30/6/2022	Current Year To Date 30/6/2023	Preceding Year Corresponding Period 30/6/2022
(a) Basic Earnings Per Share				
Net loss attributable to members of the Company (RM'000)	(252)	(1,196)	(476)	(3,158)
Weighted average number of ordinary shares in issue	414,494,639	725,141,402	414,494,639	725,141,402
Basic loss per share (sen)	<u>(0.06)</u>	<u>(0.16)</u>	<u>(0.11)</u>	<u>(0.44)</u>
(b) Diluted Earnings Per Share				
Net loss attributable to members of the Company (RM'000)	(252)	(1,196)	(476)	(3,158)
Weighted average number of ordinary shares in issue	414,494,639	725,141,402	414,494,639	725,141,402
Adjustment for assumed exercise of Warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>414,494,639</u>	<u>725,141,402</u>	<u>414,494,639</u>	<u>725,141,402</u>
Diluted loss per share (sen)	<u>(0.06)</u>	<u>(0.16)</u>	<u>(0.11)</u>	<u>(0.44)</u>



B13. Notes to the Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year To Date 30/6/2023 RM'000	Preceding Year Corresponding Period 30/6/2022 RM'000
Profit/(Loss) before taxation is arrived at after charging / (crediting):				
Other operation (income) / expense:				
Doubtful debt no longer required	(16)	(308)	(857)	(1,241)
Allowance/(Reversal) for doubtful debt	1,300	31	(329)	98
Bad debts written off	-	-	-	50
Interest Income	(405)	(259)	(987)	(770)
Loss on disposal of quoted securities	108	-	108	-
Interest Expense	3,988	4,218	12,016	12,694
Depreciation and Amortization	997	1,055	3,035	3,310

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors on 23 August 2023.