Table 3 Comparative market ranking of DSC Group and its comparable competitors in Malaysia and Singapore, FYE2007, in terms of revenue, PBT and PBT margin

	Company	Revenue* (RM'000)	Year
1	Sato**	91,965	31 March 2007
2	Metrologic Asia	78,862	31 December 2007
3	Gran-Flo	64,670	31 December 2007
4	Advantech peripherals	32,425	31 December 2007
5	Powercomp Automation	28,791	31 December 2007
6	RES Malaysia	17,900	31 March 2007
7	Autoscan Technology	12,346	31 July 2007
8	Digital Group	11,297	30 September 2007
9	Ark Tech**	9,788	31 December 2007
10	D Squared	6,759	31 March 2007
11	Wavex Technologies	5,586	1 January 2007 – 31 March 2008
12	Code Soft	4,396	31 December 2007

	Company	PBT margin*	PBT (RM'000)*	Year
1	Wavex Technologies	15.66%	874.67	1 January 2007 – 31 March 2008
2	Digital Group	14.78%	1,669.42	30 September 2007
3	Powercomp Automation	14.55%	4,189.07	31 December 2007
4	Gran-Flo	13.82%	8,934.47	31 December 2007
5	Metrologic Asia	7.51%	5,922.50	31 December 2007
6	Ark Tech (combined) **	5.17%	506.33	31 December 2007
7	RES Malaysia	4.83%	865.13	31 March 2007
8	Sato (Combined) **	3.90%	3,583.39	31 March 2007
9	Code Soft	3.23%	141.91	31 December 2007
10	Advantech peripherals	1.85%	599.85	31 December 2007
11	D Squared	0.82%	55.58	31 March 2007
12	Autoscan Technology	0.01%	0.80	31 July 2007

Note:
** Based on 2007 audited financial results*
*** Combined financial results of Malaysia and Singapore businesses*
Exchange rate extracted from Bank Negara Malaysia (SGD 1: RM 2.30)
Source: Companies Commission of Malaysia, Bursa Malaysia, Accounting and Corporate Regulatory Authority Singapore

Based on the revenue ranking, DSC Group is ranked eighth among our peers. However, it gained considerably good PBT margin and hence it is ranked second in terms of PBT margin, as DSC Group operates on a different business model as compared to its peers. DSC Group demonstrates a unique business model whereby it position itself as a hybrid AIDC player with a one-stop-solution provider proposition. This competitive advantage means it leverages on providing comprehensive AIDC solutions, using proprietary software and engineering services in order to gain new business footprints and thereafter, it builds on its continuity with the provision of value added products and services. This business model enables it to achieve a competitive PBT margin and have a pool of recurring customers to ensure business sustainability. In comparison, a majority of its peers adopt business models which are driven by securing new projects and/or customers to sustain and grow their business.

8. Conclusion

The AIDC markets in Malaysia and Singapore have strong potential to grow especially in bar codes and RFID technologies. Although the AIDC market remains a market with many players, opportunities are aplenty for hybrid Tier 2 and 3 players who are able to offer one-stop AIDC products and solutions based on an ASP model. Immediate adopters of AIDC technologies include SMEs who begin to appreciate the benefits of bar code labeling but at the same time are not willing to spend steeply on its implementation hence opting for the conventional 1D bar code systems. Other adopters of AIDC technologies include MNCs or business partners of MNCs who are striving to meet global standards. MNCs typically have bigger budgets to invest in more costly technologies such as RFID whereas smaller companies may opt for 2D bar code labelling. The public sectors in Malaysia and Singapore have also been large supporters of RFID technology where RFID was adopted in evidence management and electronic road pricing in Malaysia and Singapore respectively. In any case, bar code labelling has almost become a necessity in manufacturing and supply chain management.

Awareness of AIDC technologies is also increasing with public sector adoption, private sector mandates and public awareness initiatives undertaken by experts and associations. Along with this, mindsets are expected to change as more companies begin to recognize and realize the relevance and benefits of AIDC technologies. Overall, competition between hybrid Tier 2 and 3 players remain low owing to differing levels of technical competence and varying target segments.

In reviewing the business model and future plans of the DSC Group, the group of companies can expect strong growth and profitability in the near to medium term. Domain expertise of 13 years resides with the DSC Group and they have a good understanding of the market characteristics as well as the key success factors of the business. This is evidenced by the evolution of the group's business which typically began by reselling hardware and later evolving into proprietary software development. Furthermore, the DSC Group has also differentiated itself from rival companies by positioning itself as a one-stop solution provider, targeting different customer segments in markets in and outside of Malaysia as well as operating on an ASP model. As such, the DSC Group is poised to enjoy high growth in its business given its winning formula coupled with the positive outlook for the AIDC industry.

DSC SOLUTIONS BERHAD (721605-K)
Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Tel: 03-7728 4778 Fax: 03-7722 3668 Email: admin@dsc.com.my Website: www.dsc.com.my

16 November 2009

The Shareholders of
DSC Solutions Berhad
Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling jaya
Selangor Darul Ehsan.

Dear Sir/ Madam,

On behalf of the Board of Directors of DSC Solutions Berhad ("DSC"), I report after due enquiry that during the period from 30 June 2009 (being the date of the last audited financial statements of DSC and its subsidiaries were made) to 16 November 2009 (being a date not earlier than fourteen (14) days before the issuance of this Prospectus):-

(a) the business of our Company and our subsidiaries ("Group") have, in the opinion of our Directors, been satisfactorily maintained;

(b) in the opinion of our Directors, no circumstances have arisen subsequent to the last audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Company or any of our subsidiaries within the Group;

(c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;

(d) no contingent liabilities have arisen by reason of any guarantees or indemnities given by our Company or any of our subsidiary companies;

(e) since 30 June 2009, being the last audited financial statements of our Group, we are not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of our Group; and

(f) since 30 June 2009, being the last audited financial statements of our Group, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group.

Yours faithfully
For and on behalf of the Board of Directors
DSC Solutions Berhad

Seah Liang Chiang
Group Managing Director

DSC SOLUTIONS BERHAD
(Company No: 721605 K)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

ACCOUNTANTS' REPORT

SJ GRANT THORNTON

CHARTERED ACCOUNTANTS

Member of Grant Thornton International

GrantThornton

(PREPARED FOR INCLUSION IN THIS PROSPECTUS)

Date: 26 October 2009

The Board of Directors
DSC Solutions Berhad
Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan

SJ Grant Thornton (AF:07
Level 11, Faber Imperial Court
Jalan Sultan Ismail,
P. O. Box 12337
50774 Kuala Lumpur, Malaysia
T +6 (03) 2692 4022
F +6 (03) 2691 5229
www.gt.com.my

Dear Sirs,

ACCOUNTANTS' REPORT
DSC SOLUTIONS BERHAD ("DSC") AND ITS SUBSIDIARY COMPANIES ("DSC GROUP" OR "THE GROUP")

1. INTRODUCTION

This report has been prepared by us, an Approved Company Auditor, for inclusion in this Prospectus in connection with the listing of and quotation for the entire enlarged issued and paid-up share capital of DSC on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") which includes the following:-

(i) **Public Issue**

Public Issue of 12,578,000 new ordinary shares of RM0.10 each in DSC ("DSC Shares") at an issue price of RM0.50 per DSC Share.

The Public Issue shall be allocated to prospective investors in the following manner:-

(a) General Public

1,000,000 of DSC Shares representing 1.92% of the enlarged issued and paid-up capital after Public Issue will be made available for application by the General Public.

(b) Eligible Directors and employees

500,000 of DSC Shares representing 0.96% of the enlarged issued and paid-up capital after Public Issue will be reserved for application by the eligible Directors and employees.

(c) Private placement

11,078,000 of DSC Shares representing 21.30% of the enlarged issued and paid-up capital after Public Issue will be made available for application by way of private placement to identified investors.

(ii) **Bonus Issue**

Bonus Issue of 52,000,000 new DSC Shares to be issued and credited as fully paid-up on the basis of one (1) new DSC Share for every one (1) DSC Share held after Public Issue.

1. **INTRODUCTION (CONT'D)**

(iii) **Listing and Quotation on the ACE Market of Bursa Securities**

In conjunction with the Flotation Exercise (as defined in Section 2.1.1), DSC seeks the admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of DSC comprising 104,000,000 DSC Shares on the Official List of the ACE Market of Bursa Securities.

2. **GENERAL INFORMATION**

2.1 **Background**

The Company was incorporated on 19 January 2006 and domiciled in Malaysia under the Companies Act, 1965, as a private limited liability company under the name of Intelek Sekutu Sdn. Bhd..

On 5 February 2008, the Company changed its name to DSC Solutions Sdn. Bhd.. Subsequently, it was converted to a public company on 6 March 2008 and assumed its present name as DSC Solutions Berhad ("DSC").

2.1.1 **Flotation Exercise**

As an integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of DSC, DSC Group undertook the Flotation Exercise that was approved by the Securities Commission ("SC") on 28 November 2008, extended vide its letter dated 26 May 2009 until 31 December 2009 to implement the Public Issue and varied through its letter dated 23 October 2009. The Flotation Exercise involves the following:-

(i) **Sub-division of Shares**

DSC sub-divided the par value of the ordinary shares of RM1.00 each in DSC into ten (10) new DSC Shares. Upon completion of the Sub-division of Shares, the issued and paid-up share capital of DSC will be RM2 comprising 20 DSC Shares.

The sub-division of shares was completed on 23 October 2009.

(ii) **Acquisitions of Subsidiary Companies**

(a) Acquisition of the entire issued and paid-up share capital of Digital Scanning Corporation Pte Ltd ("DIGITAL") comprising 1,038,745 ordinary shares which represents 100% equity interest in DIGITAL for a total purchase consideration of RM3,774,128 to be wholly satisfied through the issuance of 37,741,280 new DSC Shares;

(b) Acquisition of the entire issued and paid-up share capital of DSC Systems Sdn. Bhd. ("DSCM") comprising 200,000 ordinary shares of RM1.00 each which represents 100% equity interest in DSCM for a total purchase consideration of RM168,070 to be wholly satisfied through the issuance of 1,680,700 new DSC Shares; and

2. GENERAL INFORMATION (CONT'D)

2.1.1 **Flotation Exercise (cont'd)**

(iii) **Renunciation of rights to allotment**

Renunciation of rights to the allotment of 8,320,000 DSC shares arising from the allotment of new shares to be issued for the Acquisition of DIGITAL, representing 16.00% of the enlarged and paid-up share capital of DSC after the Public Issue to key employees of the DSC Group.

The above Acquisitions were completed on 23 October 2009.

(iv) **Public Issue**

Public Issue of 12,578,000 new DSC Shares at an issue price of RM0.50 per DSC Share.

The Shares shall be allocated to prospective investors in the following manner:-

(a) General Public

1,000,000 of DSC Shares representing 1.92% of the enlarged issued and paid-up capital after Public Issue will be made available for application by the General Public;

(b) Eligible Directors and employees

500,000 of DSC Shares representing 0.96% of the enlarged issued and paid-up capital after the Public Issue will be reserved for application by the eligible Directors and employees; and

(c) Private placement

11,078,000 of DSC Shares representing 21.30% of the enlarged issued and paid-up capital after the Public Issue will be made available for application by way of private placement to identified investors.

(v) **Bonus Issue**

Bonus Issue of 52,000,000 new DSC Shares to be issued and credited as fully paid-up on the basis of one (1) new DSC Share for every one (1) DSC Share held after Public Issue.

(vi) **Listing and Quotation on the ACE Market of Bursa Securities**

In conjunction with the Flotation Exercise, DSC seeks the admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of DSC comprising 104,000,000 DSC Shares on the Official List of the ACE Market of Bursa Securities.

The gross proceeds arising from the Public Issue amounting to RM6,289,000 are expected to be fully utilised for the core business of DSC Group in the following manner:-

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2. GENERAL INFORMATION (CONT'D)

2.1.1 Flotation Exercise (cont'd)

(vi) Listing and Quotation on the ACE Market of Bursa Securities (cont'd)

	RM'000
Research and Development costs	1,800
Business expansion and capital expenditure	1,400
Working capital	1,389
Listing expenses	1,700
	6,289

The listing expenses are estimated at RM1,700,000 and will be set off against the share premium account and unappropriated profit account.

2.2 Share capital

The changes in the Company's authorised share capital since its date of incorporation were as follows:-

Date of creation	Number of ordinary shares	Par value (RM)	Cumulative total (RM)
19 January 2006	100,000	1.00	100,000
12 October 2009	24,900,000	1.00	25,000,000
23 October 2009	250,000,000*	0.10	25,000,000

The changes in the Company's issued and fully paid-up share capital since its date of incorporation were as follows:-

Date of allotment	Number of ordinary shares	Par value (RM)	Consideration	Cumulative total (RM)	Cumulative total No. of ordinary shares
19 January 2006	2	1.00	Subscribers' shares	2	2
23 October 2009	20	0.10	Subdivision of RM1.00 par value to RM0.10 par value per share	2	20
23 October 2009	39,421,980	0.10	Acquisitions of Subsidiary Companies	3,942,200	39,422,000

* Subdivision of RM1.00 par value to RM0.10 par value per share

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2. GENERAL INFORMATION (CONT'D)

2.3 Principal activity

The Company's principally engaged in development and provision of software solutions and engineering consultancy for Automated Integrated & Data Collection ("AIDC") and investment holding.

The subsidiary companies are as follows:-

Name of company	Effective ownership	Principal activities	Date and place of incorporation
DIGITAL	100%	#	14 October 1993, Republic of Singapore
DSCM	100%	#	12 December 1996, Malaysia
Subsidiary company of DIGITAL			
Digital Scanning Corporation (Suzhou) Co. Ltd. ("DIGITAL (SZ)")	100%	Dormant	14 July 2008, The People's Republic of China

DIGITAL and DIGITAL (SZ) are collectively referred to as "DIGITAL Group".

DSC, DIGITAL Group and DSCM are collectively referred to as "DSC Group".

Provision of software solution, consultancy services and distribution of AIDC products.

2.4 Share capital history of subsidiary companies

(i) **DIGITAL**

The changes in the Company's issued and fully paid-up share capital since its date of incorporation were as follows:-

Date of allotment	Number of ordinary shares	Consideration	Cumulative total (SGD)	Cumulative total No. of ordinary shares
14 October 1993	2	Cash	2	2
15 December 1993	49,998	Cash	50,000	50,000
21 June 1996	50,000	Cash	100,000	100,000
30 January 1997	100,000	Cash	200,000	200,000
8 August 2008	838,745	Settlement of debts/Acquisition of intellectual property from DSCS	1,038,745	1,038,745

* SGD: Singapore Dollar

2. GENERAL INFORMATION (CONT'D)

2.4 Share capital history of subsidiary companies (cont'd)

(ii) DIGITAL(SZ)

The changes in the Company's registered share capital since its date of incorporation were as follows:-

Date of creation	Value SGD	Cumulative SGD
14 July 2008	150,000	150,000

The changes in the Company's paid-up share capital since its date of incorporation were as follows:-

Date of allotment	Value SGD	Consideration	Cumulative SGD
28 October 2008	22,500	Cash	22,500

(iii) DSCM

The changes in the Company's authorised share capital since its date of incorporation were as follows:-

Date of creation	Number of ordinary shares	Par value (RM)	Cumulative total (RM)	Cumulative total No. of ordinary shares
12 December 1996	100,000	1.00	100,000	100,000
31 May 2006	400,000	1.00	500,000	500,000

The changes in the Company's issued and fully paid-up share capital since its date of incorporation were as follows:-

Date of allotment	Number of ordinary shares	Par value (RM)	Consideration	Cumulative total (RM)	Cumulative total No. of ordinary shares
12 December 1996	2	1.00	Cash	2	2
7 July 1998	49,998	1.00	Cash	50,000	50,000
1 April 1999	23,000	1.00	Cash	73,000	73,000
16 February 2001	27,000	1.00	Cash	100,000	100,000
20 June 2006	100,000	1.00	Bonus issue	200,000	200,000

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3. FINANCIAL STATEMENTS AND AUDITORS

A. DSC

The financial statements of DSC for the financial years/period under review which were audited by us were reported without any audit qualification.

B. DIGITAL

The financial statements of Digital were audited by the following auditors:-

Financial period/years ended	Name of Auditors
30 September 2006, 2007 and 2008	Foo Kon Tan Grant Thornton, Singapore
30 June 2009	SJ Grant Thornton, Malaysia

All financial statements were reported without any audit qualification.

C. DIGITAL(SZ)

The financial statements of DIGITAL (SZ) for the financial period under review which were audited by us were reported without any audit qualification.

D. DSCM

The financial statements of DSCM for the financial years/period under review which were audited by us were reported without any audit qualification.

The auditors' report of the financial statements of DSC, DIGITAL, DIGITAL (SZ) and DSCM for the relevant financial years and period under review are set out in Appendix I to IV respectively. For the purpose of this prospectus, the translated auditors' report in Bahasa Malaysia version will be the unsigned copy.

4. CONVERSION RATE

In the preparation of our report, we have converted all figures stated in Singapore Dollar ("SGD") to Ringgit Malaysia ("RM"). The applied rate of exchange for the financial years/period under review as extracted from Bank Negara Malaysia's website www.bnm.gov.my are as below:-

	Balance Sheet	Income Statement
FYE 2006	SGD1:RM2.30	SGD1:RM2.30
FYE 2007	SGD1:RM2.30	SGD1:RM2.30
FYE 2008	SGD1:RM2.40	SGD1:RM2.30
FPE 2009	SGD1:RM2.40	SGD1:RM2.40

5. ACCOUNTING POLICIES AND STANDARDS

5.1 Basis of Preparation of the Financial Statements

The financial statements of the Group have been prepared in accordance with the Financial Reporting Standards issued by Malaysian Accounting Standards Board ("MASB") in Malaysia for financial year ended ("FYE") 30 September 2006, 2007, 2008 and for the financial period ended ("FPE") 30 June 2009.

Adoption of Revised Financial Reporting Standards ("FRS")

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group:-

(1)	Amendment to FRS 1	- First-time Adoption of Financial Reporting Standards. Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate
(2)	Amendment to FRS 2	- Share-based Payment. Amendments relating to vesting conditions and cancellations
(3)	FRS 4	- Insurance Contracts
(4)	Amendment to FRS 5	- Non-Current Assets Held for Sale and Discontinued Operations. Amendment relating to disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
(5)	FRS 7	- Financial Instruments: Disclosures
(6)	Amendment to FRS 7	- Financial Instruments : Disclosures. Amendment relating to financial assets
(7)	FRS 8	- Operating Segments
(8)	Amendment to FRS 8	- Operating Segments. Amendment relating to disclosure information about segment assets
(9)	FRS 101	- Presentation of Financial Statements (Revised)

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5. **ACCOUNTING POLICIES AND STANDARDS (CONT'D)**

5.1 **Basis of Preparation of the Financial Statements (cont'd)**

Adoption of Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group (cont'd):-

(10)	Amendment to FRS 107	- Cash flow Statements. Amendment relating to classification of expenditures on unrecognised assets
(11)	Amendment to FRS 108	- Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies
(12)	Amendment to FRS 110	- Events After the Balance Sheet Date. Amendment relating to reason for dividend not recognised as a liability at the end of the reporting period
(13)	Amendment to FRS 116	- Property, Plant and Equipment. Amendment relating to derecognition of asset
(14)	Amendment to FRS 117	- Leases. Amendment relating to classification of leases
(15)	Amendment to FRS 118	- Revenue. Amendment relating to Appendix of this standard and recognition and measurement
(16)	Amendment to FRS 119	- Employee Benefits. Amendment relating to definition, curtailment and settlements
(17)	Amendment to FRS 120	- Accounting for Government Grants and Disclosure of Government Assistance. Amendment relating to definition and government loan at a below – market rate of interest
(18)	FRS 123	- Borrowing Costs (Revised)
(19)	Amendment to FRS 123	- Borrowing costs. Amendment relating to exclusion of incidental cost to borrowing
(20)	Amendment to FRS 127	- Consolidated and Separate Financial Statements. Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate
(21)	Amendment to FRS 128	- Investments in Associates. Amendment relating to Impairment losses in application of the equity method and the scope of this standard
(22)	Amendment to FRS 129	- Financial Reporting in Hyperinflationary Economies. Amendment relating to changing of terms used
(23)	Amendment to FRS 131	- Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131

5. **ACCOUNTING POLICIES AND STANDARDS (CONT'D)**

5.1 **Basis of Preparation of the Financial Statements (cont'd)**

Adoption of Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group (cont'd):-

(24)	Amendment to FRS 132	- Financial Instruments: Presentation. Amendment relating to puttable financial instruments
(25)	Amendment to FRS 134	- Interim Financial Reporting. Amendment relating to disclosure of earnings per share
(26)	Amendment to FRS 136	- Impairment of Assets. Amendment relating to the disclosure of recoverable amount
(27)	Amendment to FRS 138	- Intangible Assets. Amendment relating to recognition of an expense
(28)	FRS 139	- Financial Instruments: Recognition and Measurement
(29)	Amendment to FRS 139	- Financial Instruments: Recognition and Measurement. Amendment relating to eligible hedged items, reclassification of financial assets and embedded derivatives
(30)	Amendment to FRS 140	- Investment Property. Amendment relating to inability to determine fair value reliably
(31)	IC Interpretation 10	- Interim Financial Reporting and Impairment
(32)	IC Interpretation 11	- FRS 2 - Group and Treasury Share Transactions
(33)	IC Interpretation 13	- Customer Loyalty Programmes
(34)	IC Interpretation 14	- FRS 119 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction.

All the above Amendments, IC Interpretations and FRSs will be effective for accounting period beginning on or after 1 January 2010, other than FRS 8 which will be applicable to accounting period beginning on or after 1 July 2009.

FRSs 1, 2, 4, 5, 8, 120, 128, 129, 131, 134, 140 and IC Interpretation 10, 11 and 13 are not expected to be relevant to the operations of the Group. The directors anticipate that the other FRS, amendments to FRS and IC Interpretations will be adopted in the annual financial statements of the Group for the financial year commencing 1 October 2010 and that the adoption of these new/revised FRSs, amendments to FRS and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application except for the following:

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.1 Basis of Preparation of the Financial Statements (cont'd)

Adoption of Revised Financial Reporting Standards ("FRS") (cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group (cont'd):-

FRS 7 Financial Instruments: Disclosures
FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's financial position and performance, the nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

FRS 8 Operating Segments
FRS 8, which replaces FRS 114_{2004} Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group identifies two sets of segments (business and geographical) using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 8, the identification of the Group's reportable segments may change.

FRS 123 Borrowing Costs (Revised)
FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. The Group shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 139 Financial Instruments: Recognition and Measurement
FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon first adoption of this standard as require by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed, if any.

5.2 Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within policies that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.2 Financial Risk Management Policies (cont'd)

(a) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of foreign currency risk by matching local currency income against local currency costs.

(b) Interest rate risk

To manage interest rate risk, the Group relies on its management's experience to manage its fund to optimise its returns.

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

(c) Liquidity and cash flow risks

The Group actively manages its operating cash flows to suit the debt maturity profile so as to ensure that all commitment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements.

The Group seeks to achieve a balance between certainty of funding even in difficult times for the markets or the Group and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

(d) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(e) Market risk

For key product purchases, the Group establishes floating and fixed price levels that the Group considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels. The Group does not face significant risk arising from changes in prices.

5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies

(a) Accounting convention

The financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the summary of the significant accounting policies.

(b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual result may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Income taxes/Deferred tax liabilities

The Group is exposed to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(b) Significant Accounting Estimates and Judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated in a straight-line basis over their useful life. Management estimated the useful life of these assets to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

Amortisation of development costs

The development costs are amortised in a straight-line basis over the life span of the development assets. Management estimated the useful life of these assets to be within 3 years. Changes in the technological developments could impact the economic useful life and the residual values of these assets, therefore future amortisation charges could be revised.

Impairment of development costs, intangible assets and property, plant and equipment

The Group carried out impairment test based on a variety estimation including the value-in-use of Cash Generating Unit ("CGU") to which the development costs, intangible assets and property, plant and equipment are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

Acquisition of subsidiary companies is accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(c) Basis of consolidation (cont'd)

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income on the date of acquisition.

Subsidiary companies are consolidated using the purchase method of accounting from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised or unimpaired balance of goodwill on acquisition and exchange differences.

(d) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development cost are expensed in the period in which they are incurred except when the cost incurred on development project are recognised as development assets to the extent that such expenditure is expected to generate future economic benefits.

Development cost initially recognised as an expense is not recognised as an asset in subsequent periods.

Capitalised development cost, considered to have finite useful life, is amortised on a systematic basis over their expected useful lives which is 3 years commencing from the time when the product is available for sale and assessed for impairment whenever there is an indication that the development cost may be impaired. Should the product or project be aborded, the relative expenditure will be change to the income statement in the period in which such decision is made.

The amortisation period and the amortisation method for the development cost with a finite useful life are reviewed at least at each financial year end.

The amortisation expense on development cost with finite useful life is recognised in the income statement in the expenses category.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(e) Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided on the straight-line basis to each asset over its estimated useful life.

The principal annual rates used are as follows:-

	Rate
Computers	33 1/3%
Electrical installation	20%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	20%
Leasehold improvement	10%
Kiosk	33 1/3%
Renovations	20%
Plant and machinery	20%

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the financial year in which the asset is derecognised.

(f) Subsidiary companies

A subsidiary company is a company in which the Company or the Group either directly or indirectly has the power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Investment in subsidiary companies is stated at cost. Where an indication of impairment exists, the carrying amount of the subsidiary companies is assessed and written down immediately to their recoverable amount.

5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(g) Intangible assets

Intangible assets, being intellectual properties ("IP"), are carried at cost less impairment losses, if any. The useful life of IP is assessed to be indefinite.

IP with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such IP are not amortised. The useful life of an IP with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(h) Assets acquired under hire purchase agreements

The cost of property, plant and equipment acquired under hire purchase arrangements is capitalised. The depreciation policy on these property, plant and equipment is similar to that of the Group's property, plant and equipment depreciation policy. Outstanding obligations due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire purchase arrangement are allocated to the income statement over the period of the respective agreements.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value after adequate specific allowance has been made by Directors for deteriorated, obsolete and slow-moving inventories.

Cost is generally determined using the weighted average method. Cost includes cost of purchases and all expenses incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(j) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An allowance is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

Trade receivables that are factored out to finance institutions for a single non-refundable fixed sum with no resource to the Group are treated as being fully settled. The corresponding payment from the finance institution is recorded as cash receipts from customers and no liability is recognised. Any fee incurred to effect the factoring is recognised as an expense in the period in which the factoring takes place.

5. **ACCOUNTING POLICIES AND STANDARDS (CONT'D)**

5.3 **Significant Accounting Policies (cont'd)**

(k) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax expenses is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted by the balance sheet date.

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, fixed deposits pledged to licensed bank, bank overdrafts and short term demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(m) Payables

Payables are stated at cost which is fair value of the consideration to be paid in the future for goods and services received.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(n) Revenue recognition

Revenue from sale of goods is recognised when the Group has transferred to the buyer the significant risk and rewards of ownership of the goods and services.

Revenue from provision of services is recognised on the provision of assessment and development services which is based on the fee income of time worked.

Interest income is recognised in the income statement as it accrues taking into account the effective yield on the asset.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

(p) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. Asset is tested for impairment annually at financial year end or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash generating unit is less than its carrying amount. Recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An impairment loss is recognised as an expense in the income statement immediately.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(p) Impairment of assets (cont'd)

All reversals of impairment losses are recognised as income immediately in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

(q) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF"). Group's foreign subsidiary company also make contributions to their respective countries' statutory pension schemes.

(r) Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, fixed deposits with licensed banks, borrowings, receivables and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(s) Intersegment transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group at an arm's length transactions. These transfers are eliminated on consolidation.

(t) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group financial statements are presented in Ringggit Malaysia.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currencies of the entities using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates ruling at the respective balance sheet dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Subsidiary companies

The result and financial positions of the subsidiaries that have functional currencies different from the presentation currency are translated into the presentation currency as follows:-

(1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(2) Income and expenses for each income statements are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are recognised as a separate component of equity.

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5. ACCOUNTING POLICIES AND STANDARDS (CONT'D)

5.3 Significant Accounting Policies (cont'd)

(u) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of unappropriated profit in the period on which they are declared and approved.

(v) Segmental results

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segments assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of provision and accumulated depreciation and amortisation. While most of such assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include deferred income taxes.

(w) Equity instruments

Ordinary shares are classified as equity which are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Dividends on ordinary shares recognised as liabilities when declared.

The transaction costs of an equity transaction which comprise only those incremental external costs directly attributable to the equity transaction are accounted for as a deduction from equity, net of tax, from the proceeds.

6. HISTORICAL FINANCIAL INFORMATION

(a) Summarised income statements

(i) **DSC**

The following table sets out the summary of the financial results prepared based on the audited financial statements of DSC for the past one (1) FPE 30 September 2006, past two (2) FYE 30 September 2007 to 2008 and the FPE 30 June 2009 as well as the unaudited comparative period for the FPE 30 June 2008:-

Period/Year ended	FPE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	Unaudited FPE 30/6/2008 RM	FPE 30/6/2009 RM
Revenue	380,289	1,021,985	2,136,430	821,723	1,809,184
Gross profit	347,182	842,437	1,850,440	607,230	1,560,833

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(a) Summarised income statements (cont'd)

(i) DSC (cont'd)

Period/Year ended	FPE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	Unaudited FPE 30/6/2008 RM	FPE 30/6/2009 RM
Profit before amortisation and taxation/("EBITDA")	331,865	934,705	2,109,951	807,995	1,789,924
Amortisation	(33,107)	(146,441)	(285,990)	(214,493)	(248,351)
Profit before taxation but after amortisation ("PBT")	298,758	788,264	1,823,961	593,502	1,541,573
Taxation	-	-	-	-	-
Profit after taxation ("PAT")	298,758	788,264	1,823,961	593,502	1,541,573
Gross profit margin (%)	91.29	82.43	86.61	73.90	86.27
PBT margin (%)	78.56	77.13	85.37	72.23	85.21
PAT margin (%)	78.56	77.13	85.37	72.23	85.21
Effective tax rate (%)	-	-	-	-	-
Weighted average number of ordinary shares issued	2	2	2	2	2
Gross earnings per share ("EPS") (sen) #	59,751,600^	39,413,200	91,198,050	39,566,800^	102,771,533^
Net EPS (sen) #	59,751,600^	39,413,200	91,198,050	39,566,800^	102,771,533^

Notes:-

(i) There were no extraordinary or exceptional items in the financial period/years under review.

(ii) There were no accounting policies which are peculiar to DSC due to the nature of business or industry it is involved in and that would affect the determination of DSC's income or financial position.

(iii) The financial results of DSC for the financial period ended 30 June 2008 were not audited and was included for comparison purpose only.

\# Based on weighted average number of ordinary shares issued during the financial period/year.

^ Annualised

6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(a) Summarised income statements (cont'd)

(ii) **DIGITAL Group**

The following table sets out the summary of the financial results prepared based on the audited financial statements of DIGITAL Group for the FPE 30 June 2009 only as DIGITAL Group was only in existence beginning this period:-

Period ended	FPE 30/6/2009 RM
Revenue	8,454,806
Gross profit	2,504,753
Profit before depreciation, interest and taxation/("EBITDA")	794,028
Depreciation	(523,476)
Interest expenses	(80,926)
Profit before taxation but after depreciation and interest ("PBT")	189,626
Taxation	(89,191)
Profit after taxation ("PAT")	100,435
Gross profit margin (%)	29.63
PBT margin (%)	2.24
PAT margin (%)	1.19
Effective tax rate (%)	47.03
Weighted average number of ordinary shares issued	1,038,745
Gross earnings per share ("EPS") (sen)#	24.34^
Net EPS (sen)#	12.89^

Notes:-

(i) There were no extraordinary or exceptional items in the financial period under review.

(ii) There were no accounting policies which are peculiar to DIGITAL Group due to the nature of business or industry it is involved in and that would affect the determination of DIGITAL Group's income or financial position.

\# Based on weighted average number of ordinary shares issued during the financial period.

^ Annualised

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(a) Summarised income statements (cont'd)

(iii) DIGITAL

The following table sets out the summary of the financial results prepared based on the audited financial statements of DIGITAL for the past three (3) FYE 30 September 2006 to 2008 and the FPE 30 June 2009 as well as the unaudited comparative period for the FPE 30 June 2008:-

Year/Period ended	FYE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	Unaudited FPE 30/6/2008 RM	FPE 30/6/2009 RM
Revenue	9,050,291	9,895,858	12,094,831	8,193,655	8,454,806
Gross profit	2,735,112	2,490,024	3,616,628	2,908,020	2,504,753
Profit before depreciation, interest and taxation/("EBITDA")	1,584,371	959,652	1,216,284	1,297,909	854,998
Depreciation	(56,932)	(60,863)	(320,054)	(224,503)	(523,476)
Interest expenses	(146,188)	(94,491)	(139,829)	(101,014)	(80,926)
Profit before taxation but after depreciation and interest ("PBT")	1,381,251	804,298	756,401	972,392	250,596
Taxation	(259,900)	(86,250)	(70,950)	(53,213)	(89,191)
Profit after taxation ("PAT")	1,121,351	718,048	685,451	919,179	161,405
Gross profit margin (%)	30.22	25.16	29.90	35.49	29.63
PBT margin (%)	15.26	8.13	6.25	11.87	2.96
PAT margin (%)	12.39	7.26	5.67	11.22	1.91
Effective tax rate (%)	18.82	10.72	9.38	5.47	35.59
Weighted average number of ordinary shares issued	200,000	200,000	324,088	200,000	1,038,745
Gross earnings per share ("EPS") (sen)#	690.63	402.15	233.39	648.26^	32.17^
Net EPS (sen)#	560.68	359.02	211.50	612.79^	20.72^

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(a) Summarised income statements (cont'd)

(iii) **DIGITAL (cont'd)**

Notes:-

(i) There were no extraordinary or exceptional items in all the financial years/period under review.

(ii) There were no accounting policies which are peculiar to DIGITAL due to the nature of business or industry it is involved in and that would affect the determination of DIGITAL's income or financial position.

(iii) The financial results of DIGITAL for the financial period ended 30 June 2008 were not audited and was included for comparison purpose only.

\# Based on weighted average number of ordinary shares issued during the financial years/period.

^ Annualised

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(a) Summarised income statements (cont'd)

(iv) DIGITAL(SZ)

The following table sets out the summary of the financial results prepared based on the audited financial statements of DIGITAL(SZ) for the FPE 30 June 2009 since incorporation:-

Period ended	FPE 30/6/2009 RM
Revenue	-
Gross profit	-
Loss before depreciation, interest and taxation	(60,970)
Depreciation	-
Interest expenses	-
Loss before taxation but after depreciation and interest ("LBT")	(60,970)
Taxation	-
Loss after taxation ("LAT")	(60,970)
Gross profit margin (%)	-
LBT margin (%)	-
LAT margin (%)	-
Effective tax rate (%)	-
Weighted average number of ordinary shares issued	22,500
Gross loss per share ("LPS") (sen)#	(361.30)^
Net LPS (sen)#	(361.30)^

Notes:-

(i) There were no extraordinary or exceptional items in the financial period under review.

(ii) There were no accounting policies which are peculiar to DIGITAL (SZ) due to the nature of business or industry it is involved in and that would affect the determination of DIGITAL (SZ)'s income or financial position.

\# Based on weighted average number of ordinary shares issued during the financial period.

^ Annualised

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(a) Summarised income statements (cont'd)

(v) **DSCM**

The following table sets out the summary of the financial results prepared based on the audited financial statements of DSCM for the past three (3) FYE 30 September 2006 to 2008 and the FPE 30 June 2009 as well as the unaudited comparative period for the FPE 30 June 2008:-

Year/Period ended	FYE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	Unaudited FPE 30/6/2008 RM	FPE 30/6/2009 RM
Revenue	1,635,091	1,992,540	2,742,376	1,973,104	2,351,929
Gross profit	436,734	643,170	1,010,983	1,002,220	973,626
Profit/(Loss) before depreciation, interest and taxation/("EBITDA")	(99,004)	125,917	130,583	448,457	437,138
Depreciation	(21,629)	(34,595)	(53,669)	(31,654)	(131,189)
Interest expenses	-	(14,460)	(12,921)	(10,613)	(8,553)
Profit/(Loss) before taxation but after depreciation and interest ["PBT"/"(LBT)"]	(120,633)	76,862	63,993	406,190	297,396
Taxation	-	(3,000)	(21,769)	(16,327)	(82,400)
Profit/(Loss) after taxation ["PAT"/"(LAT)"]	(120,633)	73,862	42,224	389,863	214,996
Gross profit margin (%)	26.71	32.28	36.87	50.79	41.40
PBT/(LBT) margin (%)	(7.38)	3.86	2.33	20.59	12.64
PAT/(LAT) margin (%)	(7.38)	3.71	1.54	19.76	9.14
Effective tax rate (%)	-	3.90	34.02	4.02	27.71
Weighted average number of ordinary shares issued	200,000	200,000	200,000	200,000	200,000
Gross earnings/(loss) per share ["EPS/(LPS)"] (sen) #	(60.32)	38.43	32.00	270.79^	198.26^
Net EPS/(LPS) (sen) #	(60.32)	36.93	21.11	259.91^	143.33^

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(a) Summarised income statements (cont'd)

(v) **DSCM (cont'd)**

Notes:-

(i) There were no extraordinary or exceptional items in all the financial years/period under review.

(ii) There were no accounting policies which are peculiar to DSCM due to the nature of business or industry it is involved in and that would affect the determination of DSCM's income or financial position.

(iii) The financial results of DSCM for the financial period ended 30 June 2008 were not audited and was included for comparison purpose only.

\# Based on weighted average number of ordinary shares issued during the financial years/period.

^ Annualised.

(b) Summarised balance sheets

(i) **DSC**

The following table sets out the summary of the balance sheets prepared based on the audited financial statements of DSC for the past one (1) FPE 30 September 2006, past two (2) FYE 30 September 2007 to 2008 and the FPE 30 June 2009:-

Period/Year ended	**Note**	**FPE 30/9/2006 RM**	**FYE 30/9/2007 RM**	**FYE 30/9/2008 RM**	**FPE 30/6/2009 RM**
Share capital		2	2	2	2
Unappropriated profit		298,758	1,087,022	2,910,983	4,452,556
Shareholders' equity		298,760	1,087,024	2,910,985	4,452,558
Non-current asset					
Development costs	1	66,215	325,989	359,325	345,731
Current assets					
Trade receivables	2	380,289	1,347,569	3,438,999	3,526,427
Other receivables	3	-	4,600	324,879	585,024
Cash and bank balances		2	45,002	3,438	3,376
		380,291	1,397,171	3,767,316	4,114,827
Current liabilities					
Trade payables	4	-	10,150	10,150	-
Other payables	5	147,746	625,986	1,205,506	8,000
		147,746	636,136	1,215,656	8,000

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(i) **DSC (CONT'D)**

The following table sets out the summary of the balance sheets prepared based on the audited financial statements of DSC for the past one (1) FPE 30 September 2006, past two (2) FYE 30 September 2007 to 2008 and the FPE 30 June 2009 (cont'd):-

Period/Year ended	Note	FPE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	FPE 30/6/2009 RM
Net current assets		232,545	761,035	2,551,660	4,106,827
		298,760	1,087,024	2,910,985	4,452,558
Net tangible asset ("NTA")		232,545	761,035	2,551,660	4,106,827
Number of ordinary shares		2	2	2	2
NTA per share (RM)		116,273	380,518	1,275,830	2,053,414

1. Detail disclosure on development costs are as below:-

Period/Year ended	FPE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	FPE 30/6/2009 RM
Net carrying amount	66,215	325,989	359,325	345,731

Development cost is costs incurred for developing software in order to sell to other customers.

2. Detail disclosure on trade receivables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Trade receivables				
- Companies in which Directors have interest *	380,289	1,302,569	3,438,999	2,568,427
- Others	-	45,000	-	958,000
Total	380,289	1,347,569	3,438,999	3,526,427
Revenue	380,289	1,021,985	2,136,430	1,809,184
Trade receivables' turnover period (month) #	3.00 ^	10.14	13.44	17.54^

\# Based on average trade receivables' balances

^ Annualised

* The companies in which Directors have interest will become the related company upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(i) **DSC (CONT'D)**

3. Detail disclosure on trade receivables are as below (cont'd):-

Ageing analysis of trade receivables as at 30 June 2009:-

Number of days	Within credit period			Exceeding credit period of 90 days			Total
	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	> 365 days	
Trade receivables							
- Companies in which Directors have interest	97,186	96,410	105,567	263,024	1,197,522	808,718	2,568,427
- Others	560,000	-	-	98,000	300,000	-	958,000
	657,186	96,410	105,567	361,024	1,497,522	808,718	3,526,427
% of trade receivables	18.64	2.73	2.99	10.24	42.47	22.93	100.00

4. Detail disclosure on other receivables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Deposits	-	4,600	4,600	2,500
Prepayments of listing expenses	-	-	320,279	582,524
	-	4,600	324,879	585,024

5. Detail disclosure on trade payables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Trade payables				
- Companies in which Directors have interest *	-	10,150	10,150	-
Cost of sales	33,107	179,548	285,990	248,351
Trade payables' turnover period (month) #	-	0.68	0.43	-

Based on average trade payables' balances

* The companies in which Directors have interest will become the related companies upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(i) **DSC (CONT'D)**

5. Detail disclosure on other payables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Accruals of expenses	1,000	9,000	4,000	8,000
Non-trade payable	9,705	6,250	16,250	-
Amount due to companies in which Directors have interest	137,041	610,736	1,185,256	-
	147,746	625,986	1,205,506	8,000

Accruals of expenses mainly comprise of accrued auditors' remuneration and other miscellaneous expenses.

Non-trade payables mainly comprise the accrued rental charges payable to MSC Cyberport.

Amount due from companies which Directors have interest is unsecured, bears no interest and no scheme of repayment have been arranged.

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(ii) DIGITAL Group

The following table sets out the summary of the balance sheets prepared based on the audited financial statements of DIGITAL Group for the FPE 30 June 2009 only as DIGITAL Group was only in existence beginning this period:-

Period ended	Note	FPE 30/6/2009 RM
Share capital		2,472,988
Reserve		89,930
Unappropriated profit		1,708,823
Shareholders' equity		4,271,741
Non-current liabilities		
Deferred taxation		98,400
Finance creditors	1	11,604
Borrowings	2	738,034
Amount due to company in which Directors have interest	3	2,360,645
		7,480,424
Non-current assets		
Property, plant and equipment	4	1,364,114
Intangible assets	5	4,320,000
		5,684,114
Current assets		
Inventories	6	1,273,078
Trade receivables	7	2,733,528
Other receivables	8	421,744
Amount due from companies in which Directors have interest	3	1,066,985
Fixed deposits with a licensed bank	9	316,572
Cash and bank balances		247,433
		6,059,340
Current liabilities		
Trade payables	10	2,926,603
Other payables	11	401,366
Amount due to holding company	3	30,235@
Finance creditors	1	27,902
Borrowings	2	801,614
Tax payable		75,310
		4,263,030
Net current assets		1,796,310
		7,480,424
Net tangible liabilities ("NTL")		(48,259)
Number of ordinary shares		1,038,745
NTL per share (RM)		(0.05)

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(ii) **DIGITAL Group (CONT'D)**

Notes:-

1. Detail disclosure on finance creditors are as below:-

Period ended	**30/6/2009 RM**
Minimum lease payables	
- Due not later than one year	29,606
- Due later than one year and not later than five year	12,204
	41,810
Finance charges allocated to future periods	(2,304)
	39,506
Present value of minimum lease payments	
- Due not later than one year	27,902
- Due later than one year and not later than five year	11,604
	39,506

2. Detail disclosure on borrowings are as below:-

Period ended	**30/6/2009 RM**
Secured:-	
Non-current	
Term loans	738,034
Current	
Term loans	328,250
Bill payables	473,364
	801,614

The above facilities are secured by fixed deposits placed with a licensed bank and joint and several guarantee of certain Directors of the Company.

3. Detail disclosure on amount due to company in which Directors have interest/amount due from company in which Directors have interest/amount due to holding company are as below:-

Amount due to company which Director have interest, amount due from companies in which Directors have interest and amount due to holding company are unsecured, bear no interest and no scheme of repayment have been arranged.

The companies in which Directors have interest will become the related company upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

@ Amount due to DSC System Pte. Ltd.

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(ii) DIGITAL Group (CONT'D)

Notes (cont'd):-

4. Detail disclosure on property, plant and equipment are as below:-

Period ended	30/6/2009 RM
Net carrying amount	
Furniture and fittings	10,471
Office equipment	47,088
Computers	56,683
Leasehold improvement/renovations	128,184
Kiosk	1,121,688
	1,364,114

5. Detail disclosure on intangible assets are as below:-

Period ended	30/6/2009 RM
Net carrying amount	4,320,000

The intellectual property consists of the Trek. IT software which is deemed to have an indefinite useful life as there is no expiry date and this serves as a platform to develop other software in the same series. The recoverable amount of the Trek. IT software was based on the value-in-use method, by discounting the future cash flows which represents the Net Present Value ("NPV") of the Company. Discount rates ranging from 5% to 12% were used to reflect the risks of the future cash flows of the Company.

The valuation of the intellectual property is based on the valuation done by Capital Plus Pte Ltd dated 14 April 2008.

No impairment loss was required as its recoverable amount was in excess of its carrying amount.

6. Detail disclosure on inventories are as below:-

Period ended	30/6/2009 RM
Finished goods	1,459,018
Less: Allowance for slow moving inventories	(185,940)
	1,273,078
Cost of sales	5,950,053
Inventories' turnover period (month) #	1.78^

\# Based on average inventories balances

^ Annualised

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(ii) DIGITAL Group (CONT'D)

Notes (cont'd):-

7. Detail disclosure on trade receivables are as below:-

Period ended	30/6/2009 RM
Trade receivables	2,742,523
Less: Allowance for doubtful debts	(8,995)
Total	2,733,528
Revenue	8,454,806
Trade receivables' turnover period (month) #	2.62^

\# Based on average trade receivables' balances

^ Annualised

Ageing analysis of trade receivables as at 30 June 2009:-

	Within credit period			Exceeding credit period of 90 days			
No. of days	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days	Total RM
Trade receivables	606,708	1,853,402	156,989	71,501	37,483	16,440	2,742,523
Less: Allowance for doubtful debts	-	-	-	-	-	(8,995)	(8,995)
	606,708	1,853,402	156,989	71,501	37,483	7,445	2,733,528
% of trade receivables	22.20	67.80	5.74	2.62	1.37	0.27	100.00

8. Detail disclosure on other receivables are as follows:-

Period ended	30/6/2009 RM
Non-trade receivables	3,730
Deposits	11,382
Prepayments	324,360
Amount due from a secured creditor	82,272
	421,744

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(ii) **DIGITAL Group (CONT'D)**

Notes (cont'd):-

9. Detail disclosure on fixed deposits with a licensed bank are as below:-

Period ended	**30/6/2009 RM**
Fixed deposits with a licensed bank	316,572

The fixed deposits were pledged to a bank for banking facilities granted to the Company.

10. Detail disclosure on the trade payables are as follows:-

Period ended	**30/6/2009 RM**
Trade payables	
- Companies in which Directors have interest*	77,002
- Others	2,849,601
Total	2,926,603
Cost of sales	5,950,053
Trade payables' turnover period (month) #	3.68 ^

\# Based on average trade payables' balances

^ Annualised

* The Companies in which Directors have interest will become the related company upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

Ageing analysis of trade payables as at 30 June 2009:-

	Within credit period			**Exceeding credit period of 90 days**			
No. of days	**0-30 days**	**31-60 days**	**61-90 days**	**91-180 days**	**181-365 days**	**More than 365 days**	**Total RM**
Trade payables							
- Companies in which Directors have interest	-	-	13,642	59,621	3,739	-	77,002
- Others	1,895,594	247,788	260,035	318,190	67,454	60,540	2,849,601
Trade payables	1,895,594	247,788	273,677	377,811	71,193	60,540	2,926,603
% of trade payables	64.77	8.47	9.35	12.91	2.43	2.07	100.00

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(ii) **DIGITAL Group (CONT'D)**

Notes (cont'd):-

11. Detail disclosure on other payables are as below:-

Period/Year ended	30/6/2009 RM
Accruals of expenses	147,054
Amount due to Shareholders	16,020
Amount due to company in which Directors have interest	143,230
Non-trade payables	34,695
Staff costs and benefits	60,367
	401,366

Accruals of expenses were made up of accruals of accountancy fee, auditors' remuneration, secretarial fee, CPF Board, unutilised leaves and others.

Amount due to shareholders and amount due to company in which Directors have interest are unsecured, bear no interest and no repayment have been arranged.

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(iii) **DIGITAL**

The following table sets out the summary of the balance sheets prepared based on the audited financial statements of DIGITAL for the past three (3) FYE 30 September 2006 to 2008 and the FPE 30 June 2009:-

Year/Period ended	Note	FYE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	FPE 30/6/2009 RM
Share capital		460,000	460,000	2,472,988	2,472,988
Reserve		-	-	89,930	89,930
Unappropriated profit		1,784,674	1,267,937	1,608,388	1,769,793
Shareholders' equity		2,244,674	1,727,937	4,171,306	4,332,711
Non-current liabilities					
Deferred taxation		11,923	11,923	25,478	98,400
Finance creditors	1	38,532	25,399	12,185	11,604
Borrowings	2	5,267	264,898	-	738,034
Amount due to a company in which Directors have interest	3	-	-	2,664,720	2,360,645
		2,300,396	2,030,157	6,873,689	7,541,394
Non-current assets					
Property, plant and equipment	4	109,754	282,042	989,126	1,364,114
Intangible assets	5	-	-	4,320,000	4,320,000
Investment in a subsidiary company	6	-	-	-	54,000
		109,754	282,042	5,309,126	5,738,114
Current assets					
Inventories	7	1,338,060	894,270	1,079,177	1,273,078
Trade receivables	8	759,780	1,405,339	2,186,126	2,733,528
Other receivables	9	405,259	169,144	233,621	421,744
Amount due from holding company	3	1,122,324 *	1,142,334 *	-	-
Amount due from companies in which Directors have interest	3	703,777	1,291,862	1,378,296	1,066,985
Amount due from a Director	3	280,722	951,912	-	-
Amount due from related companies	3	1,046,390	1,150,309	-	-
Amount due from a subsidiary company	3	-	-	-	53,050
Fixed deposits with a licensed bank	10	289,485	294,752	313,126	316,572
Cash and bank balances		10,030	425,891	104,429	201,353
		5,955,827	7,725,813	5,294,775	6,066,310

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(iii) **DIGITAL (CONT'D)**

The following table sets out the summary of the balance sheets prepared based on the audited financial statements of DIGITAL for the past three (3) FYE 30 September 2006 to 2008 and the FPE 30 June 2009 (cont'd):-

Year/Period ended	Note	FYE 30/9/2006 RM	FYE 30/9/2007 RM	FYE 30/9/2008 RM	FPE 30/6/2009 RM
Current liabilities					
Trade payables	11	2,669,263	2,877,981	1,900,342	2,926,603
Other payables	12	177,001	256,885	476,421	401,366
Amount due to holding company	3	-	-	47,611@	30,235@
Finance creditors	1	10,688	11,693	13,678	27,902
Borrowings	2	586,762	1,234,357	1,185,782	801,614
Tax payable		321,471	361,997	106,378	75,310
Dividend payable		-	1,234,785	-	-
		3,765,185	5,977,698	3,730,212	4,263,030
Net current assets		2,190,642	1,748,115	1,564,563	1,803,280
		2,300,396	2,030,157	6,873,689	7,541,394
Net tangible asset/(liability) ("NTA"/ "NTL")		2,244,674	1,727,937	(148,694)	12,711
Number of ordinary shares		200,000	200,000	1,038,745	1,038,745
NTA/(NTL) per share (RM)		11.22	8.64	(0.14)	0.01

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(iii) DIGITAL (CONT'D)

Notes:-

1. Detail disclosure on finance creditors are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Minimum lease payments payables				
- Due not later than one year	14,269	14,269	14,890	29,606
- Due later than one year and not later than five years	41,534	27,264	13,560	12,204
	55,803	41,533	28,450	41,810
Finance charges allocated to future periods	(6,583)	(4,441)	(2,587)	(2,304)
	49,220	37,092	25,863	39,506
Present value of minimum lease payments				
- Due not later than one year	10,688	11,693	13,678	27,902
- Due later than one year and not later than five year	38,532	25,399	12,185	11,604
	49,220	37,092	25,863	39,506

2. Detail disclosure borrowings are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Secured:-				
Non-current				
Term loans	5,267	264,898	-	738,034
Current				
Term loans	61,617	397,081	432,312	328,250
Bank overdrafts	525,145	447,884	277,932	-
Bill payables	-	389,392	475,538	473,364
	586,762	1,234,357	1,185,782	801,614

The above facilities are secured by fixed deposits with a licensed bank and joint and several guarantee of certain Directors of the Company.

6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(iii) **DIGITAL (CONT'D)**

Notes (cont'd):-

3. Detail disclosure on Amount due to a company in which Directors have interest/Amount due from a Director/Amount due from companies in which Directors have interest/Amount due from related companies/Amount due from subsidiary company/Amount due from holding company:-

   Amount due to a company in which Directors have interest, amount due from companies in which Directors have interest, amount due from related companies, amount due from a Director, amount due from subsidiary company and amount due from holding company are unsecured, bear no interest and no scheme of repayment have been arranged.

   The companies in which Directors have interest will become the related company upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

   * Amount due from DSC Holdings Pte. Ltd.

   @ Amount due to DSC Systems Pte. Ltd.

4. Detail disclosure of property, plant and equipment are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Net carrying amount				
Furniture and fittings	25,187	22,938	12,413	10,471
Motor vehicles	16,560	-	-	-
Office equipment	11,061	57,946	46,082	47,088
Computers	33,192	32,607	46,267	56,683
Leasehold improvement/ renovations	23,754	168,551	155,623	128,184
Kiosk	-	-	728,741	1,121,688
	109,754	282,042	989,126	1,364,114

5. Detail disclosure on intangible assets are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Net carrying amount	-	-	4,320,000	4,320,000

   The intellectual property consists of the Trek. IT software which is deemed to have an indefinite useful life as there is no expiry date and this serves as a platform to develop other software in the same series. The recoverable amount of the Trek. IT software was based on the value-in-use method, by discounting the future cash flows which represents the Net Present Value ("NPV") of the Company. Discount rates ranging from 5% to 12% were used to reflect the risks of the future cash flows of the Company.

   The valuation of the intellectual property is based on the valuation done by Capital Plus Pte Ltd dated 14 April 2008. No impairment loss was required as its recoverable amount was in excess of its carrying amount.

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(iii) DIGITAL (CONT'D)

Notes (cont'd):-

6. Detail disclosure on investment in subsidiary company are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Net carrying amount	-	-	-	54,000

7. Detail disclosure on inventories are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Finished goods	1,509,313	1,065,523	1,249,195	1,459,018
Less: Allowance for slow moving inventories	(171,253)	(171,253)	(170,018)	(185,940)
	1,338,060	894,270	1,079,177	1,273,078
Cost of sales	6,315,179	7,405,834	8,478,203	5,950,053
Inventories' turnover period (month) #	2.10	1.81	1.40	1.78^

\# Based on average inventories balances

^ Annualised

8. Detail disclosure on trade receivables are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Trade receivables	793,645	1,411,588	2,219,933	2,742,523
Less: Allowance for doubtful debts	(33,865)	(6,249)	(33,807)	(8,995)
Total	759,780	1,405,339	2,186,126	2,733,528
Revenue	9,050,291	9,895,858	12,094,831	8,454,806
Trade receivables' turnover period (month) #	1.16	1.31	1.78	2.62^

\# Based on average trade receivables' balances

^ Annualised

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6. HISTORICAL FINANCIAL INFORMATION (CONT'D)

(b) Summarised balance sheets (cont'd)

(iii) DIGITAL (CONT'D)

Notes (cont'd):-

8. Detail disclosure on trade receivables are as below (cont'd):-

Ageing analysis of trade receivables as at 30 June 2009:-

	Within credit period			Exceeding credit period of 90 days			
No. of days	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days	Total RM
Trade receivables	606,708	1,853,402	156,989	71,501	37,483	16,440	2,742,523
Less: Allowance for doubtful debts	-	-	-	-	-	(8,995)	(8,995)
	606,708	1,853,402	156,989	71,501	37,483	7,445	2,733,528
% of trade receivables	22.20	67.80	5.74	2.62	1.37	0.27	100.00

9. Detail disclosure on other receivables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Non-trade receivables	16,377	7,651	70,054	3,730
Deposits	11,146	27,278	28,692	11,382
Prepayments	4,782	4,782	4,243	324,360
Amount due from a secured creditor	372,954	129,433	130,632	82,272
	405,259	169,144	233,621	421,744

10. Detail disclosure on fixed deposits with a licensed bank are as below:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Fixed deposits with a licensed bank	298,485	294,752	313,126	316,572

The fixed deposits were pledged to a bank for banking facilities granted to the Company.

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(iii) **DIGITAL (CONT'D)**

Notes (cont'd):-

11. Detail disclosure on the trade payables are as follows:-

Year/Period ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Trade payables				
- Companies in which Directors have interest*	351,610	1,047,254	38,338	77,002
- Others	2,317,653	1,830,727	1,862,004	2,849,601
Total	2,669,263	2,877,981	1,900,342	2,926,603
Cost of sales	6,315,179	7,405,834	8,478,023	5,950,053
Trade payables' turnover period (month) #	3.94	4.49	3.38	3.68 ^

\# Based on average trade payables' balances

^ Annualised

* The companies in which Directors have interest will become the related company upon completion of Acquisitions of Subsidiary Companies as disclosed in Note 2.1.1.

Ageing analysis of trade payables as at 30 June 2009:-

	Within credit period			Exceeding credit period of 90 days			
No. of days	0-30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days	Total RM
Trade payables							
- Companies in which Directors have interest	-	-	13,642	59,621	3,739	-	77,002
- Others	1,895,594	247,788	260,035	318,190	67,454	60,540	2,849,601
Trade payables	1,895,594	247,788	273,677	377,811	71,193	60,540	2,926,603
% of trade payables	64.77	8.47	9.35	12.91	2.43	2.07	100.00

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6. **HISTORICAL FINANCIAL INFORMATION (CONT'D)**

(b) Summarised balance sheets (cont'd)

(iii) **DIGITAL (CONT'D)**

Notes (cont'd):-

12. Detail disclosure on other payables are as below:-

Period/Year ended	30/9/2006 RM	30/9/2007 RM	30/9/2008 RM	30/6/2009 RM
Accruals of expenses	76,153	89,056	182,495	147,054
Amount due to Shareholders	-	-	16,020	16,020
Amount due to company in which Directors have interest	-	-	176,705	143,230
Amount due to a secured creditor	-	5,069	-	-
Non-trade payables	2,005	22,037	12,137	34,695
Staff costs and benefits	98,843	140,723	89,064	60,367
	177,001	256,885	476,421	401,366

Amount due to Shareholders and amount due to company in which Directors have interest are unsecured, bear no interest and no scheme of repayment have been arranged.

Accruals of expenses were made up of accruals of accountancy fee, auditors' remuneration, secretarial fee, CPF Board, unutilised leaves and others.