

Broadening
from
presence
to
strength



DIGISTAR CORPORATION BERHAD
(Company No.: 603652-K)



www.digistar.com.my



DIGISTAR CORPORATION BERHAD (Company No.: 603652-K)

B6/4/4, 3rd Floor, One Ampang Business Avenue,
Jalan Ampang Utama 1/2, 68000 Ampang, Selangor, Malaysia.
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Vision 2020 Aspiration

As part of its social contribution towards moving Malaysia towards Vision 2020, the Group responded to the Malaysian government's call to provide industrial training opportunities via internship to the students from the University of Technology Malaysia (UTM), Universiti Institut Teknologi Malaysia (UiTM), Universiti Teknologi Mara (MARA) and private colleges starting from year 1998. This provides an avenue for DIGISTAR to employ potential employees upon completion of their studies.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of Digistar Corporation Berhad will be held at Embassy 1, Level 6, Holiday Villa Apartment Suites Kuala Lumpur, No. 225 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 12 March 2009 at 10.00 a.m. for the following purposes:

A G E N D A

1. To receive the Audited Financial Statements for the financial year ended 30 September 2008 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following directors who are retiring under Article 86 of the Articles of Association of the Company:
 - 2.1 Ong Fee Chong *(Ordinary Resolution 1)*
 - 2.2 Datuk Ab Wahab Bin Ab Latip *(Ordinary Resolution 2)*
3. To re-elect the following directors who are retiring under Article 92 of the Articles of Association of the Company:
 - 3.1 Datuk Md. Sirat Bin Abu *(Ordinary Resolution 3)*
 - 3.2 Cheong Yee Kiong *(Ordinary Resolution 4)*
4. To approve the sum of RM99,800 being the directors' fees for the financial year ended 30 September 2008. *(Ordinary Resolution 5)*
5. To re-appoint Messrs Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*
6. **Special Businesses:**

To consider and if thought fit, pass the following ordinary resolutions:

6.1 Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act"), the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such issue price, until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares does not exceed ten per centum (10%) of the issued capital of the Company at the time of issue and THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Act, the Articles of Association of the Company and approval from the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary."

(Ordinary Resolution 7)

6.2 Proposed Renewal of Authority to Purchase the Company's Own Shares

"THAT subject to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market, the Directors of the Company, with effect from the date on which this resolution is passed, be and are hereby authorised to purchase such number of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through the MESDAQ Market of Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;
- (ii) the maximum fund allocated by the Company for the Share Buy-back shall not exceed the total retained profits and share premium account of the Company and based on the Audited Financial Statements as at 30 September 2008, the retained profits and share premium account of the Company were RM2,069,310 and RM1,630,187 respectively;



Notice of Annual General Meeting (cont'd)

- (iii) the authority conferred by this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting or upon the expiration of the period within which the next Annual General Meeting after that date is required by law to be held, whichever occurs first; and
- (iv) upon completion of the purchase(s) of the shares by the Company, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:
 - (a) cancel all the shares so purchased; or
 - (b) retain the shares so purchased as treasury shares; or
 - (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (d) distribute the treasury shares as dividends to shareholders and/or resell on the market of Bursa Securities and/or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities for the MESDAQ Market and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

(Ordinary Resolution 8)

BY ORDER OF THE BOARD

MAH LI CHEN (MAICSA 7022751)
LAU CHIN LEE (MAICSA 7040063)
Company Secretaries

Kuala Lumpur
11 February 2009

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company. If the proxy is not a member, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or if such appointor is a corporation under its common seal or the hands of its attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding of the meeting or any adjournment thereof.

Explanatory Note on the Special Business

Ordinary Resolution 7 **Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of the Sixth Annual General Meeting, to issue shares (other than bonus or rights issue) of the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company at the time of issue for such purpose as they considered would be in the best interest of the Company. This authority,

unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution 8 **Proposed Renewal of Authority to Purchase the Company's Own Shares**

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority (unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting of the Company.

Please refer to Statement to Shareholders as set out in this Annual Report for further information.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.36 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market)

Further Details of Directors who are standing for re-election as Directors

The details of the Directors who are standing for re-election at the Sixth Annual General Meeting are set out in the Directors' Profile of this Annual Report. No individual other than the retiring Directors is seeking election as a Director at the Sixth Annual General Meeting of the Company.

No notice of nomination has been received to date from any member nominating any individual for election as a Director at the Sixth Annual General Meeting of the Company.



Corporate Information

BOARD OF DIRECTORS

YB Datuk Md. Sirat Bin Abu	<i>(Independent Non-Executive Chairman)</i>
Datuk Lee Wah Chong	<i>(Managing Director)</i>
Datin Wa Siew Yam	<i>(Executive Director)</i>
Ong Fee Chong	<i>(Executive Director)</i>
Lye Siang Long	<i>(Executive Director)</i>
YB Datuk Ab Wahab Bin Ab Latip	<i>(Independent Non-Executive Director)</i>
Ir. Loh Khoon Hong	<i>(Independent Non-Executive Director)</i>
Cheong Yee Kiong	<i>(Independent Non-Executive Director)</i>

AUDIT COMMITTEE

Chairman

YB Datuk Ab Wahab Bin Ab Latip
(Independent Non-Executive Director)

Members

Ir. Loh Khoon Hong *(Independent Non-Executive Director)*
Cheong Yee Kiong *(Independent Non-Executive Director)*

AUDITORS

Horwath
Chartered Accountants
Level 16, Tower C
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

COMPANY SECRETARIES

Mah Li Chen (MAICSA 7022751)
Lau Chin Lee (MAICSA 7040063)

REGISTERED OFFICE

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 03-2382 4288 Fax: 03-2382 4170

CORPORATE OFFICE

B6/4/4, 3rd Floor
One Ampang Business Avenue
Jalan Ampang Utama 1/2
68000 Ampang
Selangor Darul Ehsan
Tel: 03-4253 4319 Fax: 03-4257 2168

SHARE REGISTRAR

PFA Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883 Fax: 03-2282 1886

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

MESDAQ Market of the Bursa Malaysia Securities Berhad
("Bursa Securities")
Stock Name : DIGISTA
Stock Code : 0029

PLACE WHERE REGISTER OF OPTIONS IS KEPT

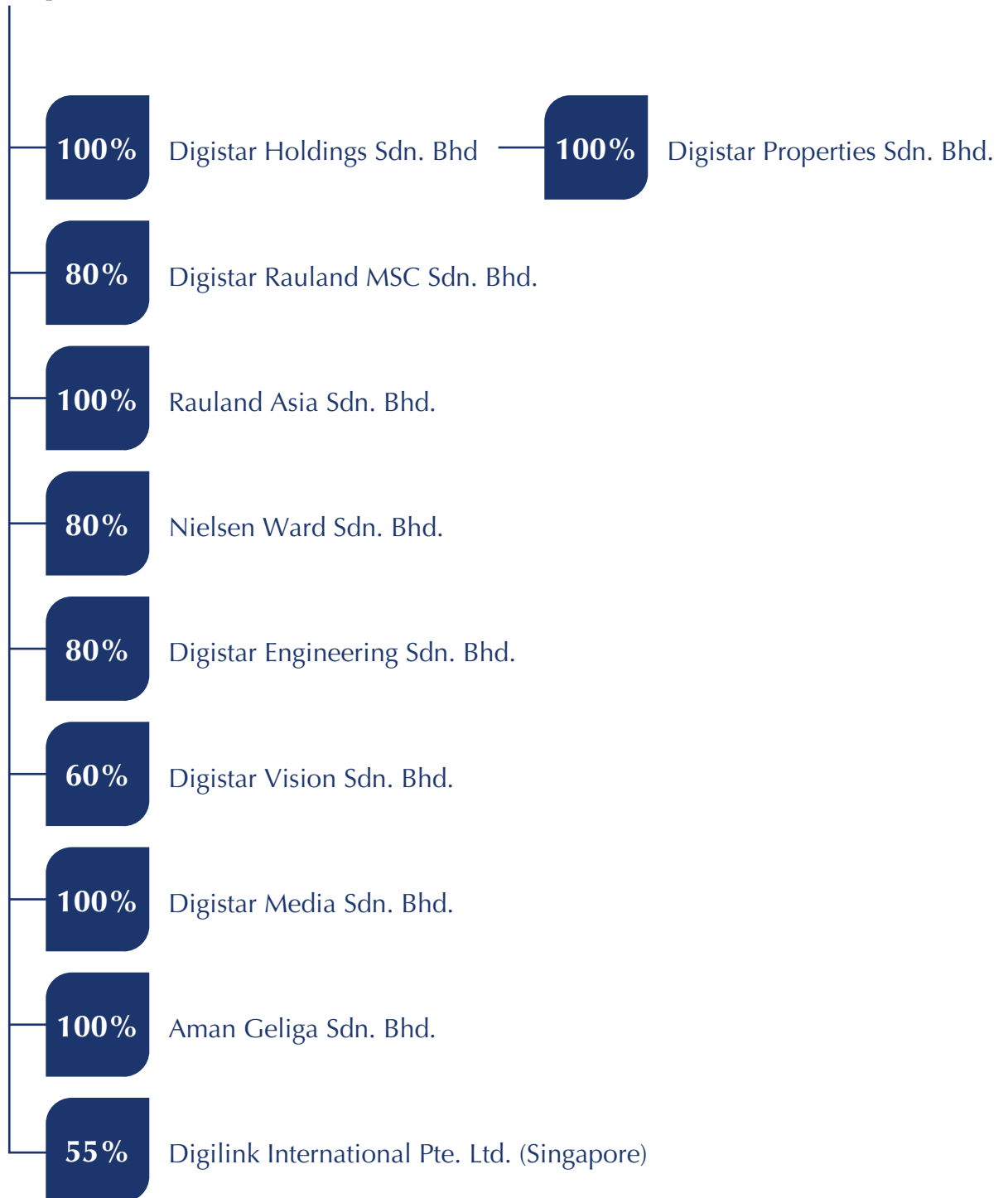
B5/5/5, 4th Floor
One Ampang Business Avenue
Jalan Ampang Utama 1/2
68000 Ampang
Selangor Darul Ehsan
Tel: 03-4253 4319 Fax: 03-4257 2168



Group Structure as at 31 DECEMBER 2008



Digistar Corporation Berhad





Directors' Profile



YB DATUK MD. SIRAT BIN ABU

YB Datuk Md. Sirat Bin Abu, a Malaysian aged 50, was appointed to the Board of Directors of the Company on 14 April 2008. He is an Independent Non-Executive Chairman of the Company. He possesses a Diploma Perguruan from Maktab Perguruan Mohd Khalid, Johor Bahru and

Certificate in Management from University of Science Malaysia. In 2008, he was graduated from Newcastle University with a Bachelor of Commerce in hospitality management. He served as a teacher for more than 14 years before he was appointed as the confidential secretary to the Deputy Minister of Transport in 1995 to 1998. In year 1999, he was appointed as the confidential secretary to the Deputy Minister of Health and became political secretary to Malacca Chief Minister in year 2000. He was also the Mayor of Bandar Malacca in year 2001 to 2002 and the Chairman of Muzium Malacca in year 2003. In year 2004 to 2007, he was the political secretary to Malacca Chief Minister. He is currently an elected Member of Parliament of Bukit Katil Constituency. He is also a director of Koperasi Belia Nasional Berhad.



DATUK LEE WAH CHONG

Datuk Lee Wah Chong, a Malaysian aged 51, was appointed as the Managing Director of the Company on 18 August 2003. Datuk Lee graduated with a Diploma in Electronic Engineering from the Federal Institute of Technology in 1982. He continued to enhance his

technical knowledge by attending courses on advanced system applications in the United States of America. He is the founder of Digistar Group which started as an audio visual system provider in 1982 which expanded to a total solution provider in design, supply, installation and integration of information technology infrastructure, tele-conferencing, local area networks, interactive media management systems, radio and television news automation, telecommunication systems, integrated audio and visual systems and other related electronic systems. As the Managing Director of the Group, Datuk Lee has been the main driving force of the Group since 1982. His sound technical background and management skills have taken the Group to the forefront of the system integration industry.



ONG FEE CHONG

Mr. Ong Fee Chong, a Malaysian aged 38, was appointed to the Board of Directors of the Company on 18 August 2003. He is the Executive Director of the Company. Mr Ong graduated with first class honours degree in Electrical and Electronic Engineering from the University of Glamorgan, United Kingdom in 1993. He started his career as a Project Engineer in 1994 with Theatre Project Sdn Bhd, a subsidiary of Lim Kim Hai Berhad. He joined Digistar Holdings Sdn Bhd in 1996 as Project Manager and was subsequently promoted to Project Director in 1997 and is currently still holding that position in the Company. Mr Ong has more than fourteen (14) years of experience in the system integration industry.



DATIN WA SIEW YAM

Datin Wa Siew Yam, a Malaysian aged 50, was appointed to the Board of Directors of the Company on 18 August 2003. She is the Executive Director of the Company. As a diploma holder in Commerce from Tunku Abdul Rahman College, she began her career as Accounts Assistant with Chin Siew Fui Poultry Farm in 1978. Subsequently in 1981, she was a Leasing Executive with Lion Leasing Sdn Bhd for six (6) years. After which, she joined Umatrac Insuran Sdn Bhd as an Insurance Claim Manager in 1987 and left in 1995. In 2002, she was appointed as a Director of Digistar Holdings Sdn Bhd, a position she holds until today.



YB DATUK AB WAHAB BIN AB LATIP

YB Datuk Ab Wahab Bin Ab Latip, a Malaysian aged 53, was appointed as an Independent Non-Executive Director of the Company on 27 April 2004. He is also the Chairman of the Audit Committee of the Company. He graduated from Maktab Perguruan Lembah Pantai with a Certificate in Education in 1980 and later obtained his Diploma in Public Administration from Universiti Teknologi Mara in 1989. He has been actively involved in government activities and was a member of the City Council of Alor Gajah, Melaka for two (2) years. He served as a primary school teacher for twenty-four (24) years and has retired on 12 March 2004. Currently, he is the elected State Assemblyman of Rembia Constituency, Melaka.



Directors' Profile (cont'd)



IR. LOH KHOON HONG

Ir. Loh Khoon Hong, a Malaysian aged 65, was appointed as an Independent Non-Executive Director of the Company on 18 August 2003. He is also a member of the Audit Committee. He was awarded a Bachelor of Engineering (Hons.) degree in Electrical Engineering from the

University of Malaya in 1968. He is a Professional Engineer registered with the Board of Engineers, Malaysia and a Chartered Engineer, United Kingdom. He is a Fellow of The Institution of Engineers, Malaysia and The Institution of Engineering and Technology, United Kingdom. He is also a Senior Member of The Institution of Engineers, Singapore, a member of The Chartered Institution of Building Services Engineers, United Kingdom and Society of Light and Lighting, United Kingdom.

He has served the Public Works Department ("Jabatan Kerja Raya"), Malaysia for twenty-seven (27) years during which he held various senior positions as Electrical Engineer, Senior Electrical Engineer, Senior Assistant Director of Design and Senior Assistant Director of Maintenance Unit. He retired from the Public Works Department in 1996 to establish an electrical services firm, HPS Electrical Engineering.



LYE SIANG LONG

Mr. Lye Siang Long, a Malaysian aged 39, was appointed to the Board of Directors on 12 April 2006. He is the Executive Director of the Company. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

He served with Messrs. KPMG, Penang for five (5) years. He left Messrs. KPMG in year 1999 as Audit Supervisor to join Planet Technology (M) Sdn Bhd as Finance and Administration Manager. He stayed with the Company for three (3) years before joining Digistar Holdings Sdn Bhd in year 2002 and is currently the Finance Director of the Company.



CHEONG YEE KIONG

Mr. Cheong Yee Kiong, a Malaysian aged 47, was appointed as an Independent Non-Executive Director of the Company on 30 January 2009. He was also appointed as a member of the Audit Committee on the same date. He is a professionally qualified accountant as a member of the

Malaysian Institute of Accountants. He completed his professional studies at the Tunku Abdul Rahman College, graduating with a diploma in commerce (management accounting) in 1984. He joined SYF Resources Berhad in early 2003 as Financial Controller and eventually assumed the positions of Director of Finance and Company Secretary before joining the board on 18 November 2008. During his career, he had gained experience in corporate and financial matters as financial controller with two other locally listed companies involved in construction and property development. Apart from that, he had also been a dealer's representative in the stockbroking industry.

Notes to Directors' Profile

Datuk Lee Wah Chong is the husband of Datin Wa Siew Yam.

The other Directors do not have any family relationship with any Directors and/or substantial shareholders of the Company, except as disclosed above.

The details of the Directors' securities holdings are set out in the Analysis of Ordinary Shareholdings and Warrants as at 31 December 2008 of this Annual Report.

The details of the Directors' attendance at board meetings are set out in the Statement of Corporate Governance of this Annual Report.

None of the Directors have been convicted for any offences within the past ten (10) years other than traffic offences, if any. None of the Directors have any conflict of interest with the Company.



Chairman's Statement and Operational Review

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Financial Statements of Digistar Corporation Berhad ("Digistar or the Company") for the financial year ended 30 September 2008.

ECONOMIC REVIEW

Due to the nature of Digistar's business, the Company's performance is closely linked to the construction industry and the information technology ("IT") related activities in Malaysia, the general outlook of which is as follows:

The Malaysian economy registered growth of 4.7% (Q2 2008: 6.7%) in the third quarter of 2008, despite the global economic turmoil. Growth was largely led by the services sector, which expanded strongly by 7.1% (Q2 2008: 8.2%) due to the sturdy performance in wholesale and retail trade, finance and insurance as well as government services. The agriculture sector grew at 3.0% (Q2 2008: 6.0%), supported by higher production in the food sub-sector. Growth in the manufacturing sector, however, moderated 1.8% (Q2 2008: 5.6%), partly due to declining global demand for electrical and electronics (E&E) products. Meanwhile, the construction sector grew 1.2% as a result of lower activities in the civil engineering subsector (Q2 2008: 3.9%).

The construction sector grew 1.2% (Q2 2008: 3.9%) on account of steady performance in the residential and non-residential sub-sectors. The residential and non-residential sub-sectors registered growth of 2.7% and 3.3%, respectively (Q2 2008: 7.8%; 1.2%) as a result of ongoing non-residential construction activities and higher public expenditure on low-cost housing projects. Meanwhile, the civil engineering subsector recorded moderate growth of 0.4% (Q2 2008: 2.7%).

(Source: Ministry of Finance, Malaysian Economy Third Quarter of 2008)

During the first half of the Ninth Malaysia Plan period, steady progress was made in moving the economy up the value chain. In the services sector, advancements were made in the new growth areas such as information and communications technology (ICT), telecommunications, tourism, Islamic finance and shared services and outsourcing (SSO).

To sustain Malaysia's position as a multimedia and ICT hub, three technology areas were identified, namely the wireless sensor network for applications, particularly in agricultural farming and disaster management; predictive analysis technology for software applications, particularly in Islamic financing, retail and logistics industries; and 3-Dimensional Internet technology for development of multimedia digital content, including in education, gaming and entertainment. The Government will continue to promote Malaysia as a preferred destination for SSO activities and attract leading global ICT players and multinational companies (MNCs) investment in the new growth areas.

Access of Malaysian products and services into the global market will be facilitated through mutual recognition arrangements, free trade agreements and multilateral arrangements. Strategic alliances and joint-ventures between local companies and established MNCs will be promoted to widen the marketing network for agrobased, manufactured and ICT products and services.

(Source: Ninth Malaysia Plan Mid-Term Review, 2006-2010)

OPERATIONAL AND FINANCIAL REVIEW

For the financial year ended 30 September 2008, the Group registered a total revenue of approximately RM52 million as compared to approximately RM38 million achieved in the previous year. After accounting for tax and minority interest, the profit attributable to shareholders of the Company was approximately RM597,000 for the financial year ended 30 September 2008 as compared to loss attributable to shareholders of the Company of approximately RM2 million for the financial year ended 30 September 2007.

The improved performance in the financial year ended 30 September 2008 was attributable to higher revenue generated from system integration and sales of goods activities with better profit margin. The losses recorded in the previous year were the result of the erosion of the profit margins of the Group's contracts undertaken during the financial year ended 30 September 2007, increased in project implementation costs and allowance for doubtful debts.

The Group constantly focused on its core competency in the provision of design, supply, installation and integration of information technology infrastructure, tele-conferencing, local area networks, interactive media management systems, radio and television news automation, telecommunication systems, integrated audio and visual systems and other related electronic systems.



Chairman's **Statement** and Operation **Review** (cont'd)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

PROSPECTS

Finance Minister Datuk Seri Najib Tun Razak, had announced in his winding-up reply in the Parliament that a total of RM7 billion will be spent by the Government in its stimulus package to boost the country's economy in the face of the global financial crisis.

Among the major announcements in Datuk Seri Najib Tun Razak's winding-up reply in Parliament were:

- (i) Gross Domestic Product (GDP) this year expected to be at least 5% while the GDP for next year is estimated to be 3.5%.
- (ii) The inflation rate expected to drop next year to between 3% and 4%, provided crude oil prices continued to fall.

(Source: 2009 Budget Debate dated 4 November 2008)

For broadcasting, most of the television networks and production facilities in the Asia-Pacific region are still on analogue systems. All countries currently strive towards meeting the International Telecommunication Union's deadline of June 17, 2015 for broadcasting to transit from analogue to digital or they stand the risk of being isolated from the world's broadcasting community. This give ample opportunity for the Company to offer its broadcast system integration services to broadcasters in this region. The Company is focusing on boosting its recurring service and maintenance income.

Barring any unforeseen circumstances, the Directors anticipate that maintaining the profitability of the Group will be a challenging task for the financial year ending 30 September 2009 in view of the economic recession has hit many countries around the world.

BOARD CHANGES

YB Dato' Hasan Bin Malek resigned as Non-Independent Non-Executive Chairman on 14 April 2008. On behalf of the Board, I wish to record my appreciation for their invaluable contributions during his tenure in office.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I wish to extend my sincere gratitude and appreciation to the management team and staff for their commitment and contribution to the Group's success; our customers, business associates and most importantly, our shareholders for their continued support to the Group.

Finally, I would like to express my sincere appreciation and gratitude to my fellow Directors for their invaluable contributions and support throughout the financial year.

YB DATUK MD. SIRAT BIN ABU

Chairman

11 February 2009



Audit Committee Report

The Board of Directors of Digistar Corporation Berhad is pleased to present the Audit Committee Report for the financial year ended 30 September 2008. The primary objective of the Audit Committee is to assist the Board to oversee the financial reporting and assess the Group's process relating to its risk and control environment. The Audit Committee is also responsible for evaluating the internal and external audit processes.

In line with the amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market ("MMLR") on 28 January 2008 in relation to corporate governance, which are in line with the Malaysian Code on Corporate Governance (Revised 2007) ("Code"), the Audit Committee also has been assigned to review the report, adequacy and competency of the internal audit function.

1. COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The Audit Committee currently comprises the following members:-

Chairman :	YB Datuk Ab Wahab Bin Ab Latip	<i>(Independent Non-Executive Director)</i>
Members :	Ir. Loh Khoon Hong	<i>(Independent Non-Executive Director)</i>
	Cheong Yee Kiong	<i>(Independent Non-Executive Director)</i>

The composition of the Audit Committee has been changed on 30 January 2009 to comply with the Code that all the Audit Committee members should be non-executive directors, a majority of whom are independent.

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee had been revised to be in line with the Code and amendments made to the MMLR. The revised Terms of Reference of the Audit Committee are as follows:

a) Composition of Audit Committee

The Audit Committee shall be appointed from amongst the Board of Directors and shall comprise at least three (3) members who are Non-Executive Directors, a majority of whom shall be independent directors. No alternate director shall be appointed as a member of the Audit Committee.

At least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or if he is a not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and;

- (i) he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- (ii) he/she must be a member of one of the associations of accountants as specified in Part II of the 1st Schedule of the Accountants Act 1967; or

fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy must be filled within two (2) months, but in any case not later than three (3) months.

b) Chairman

The Chairman of the Audit Committee shall be appointed by the Board, or failing which, by the members of the Audit Committee themselves. The Chairman shall be an Independent Director. In event of the Chairman's absence, the meeting shall be chaired by another Independent Director.

c) Secretary

The Company Secretary shall be the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members.

d) Meetings

The quorum for a meeting shall be two (2) members, provided that the majority of the members present at the meeting shall be independent directors.



Audit Committee **Report** (cont'd)

2. TERMS OF REFERENCE (cont'd)

d) **Meetings (cont'd)**

The internal and external auditors may appear at any meeting at the invitation of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee. The internal and external auditors may also request a meeting if they consider it necessary.

e) **Rights**

The Audit Committee shall:

- (i) have explicit authority to investigate any matter within its terms of reference;
- (ii) have the resources which it needs to perform its duties;
- (iii) have full and unrestricted access to any information which it requires in the course of performing its duties;
- (iv) have unrestricted access to the chief executive officer and the chief financial officer;
- (v) have direct communication channels with the external and internal auditors;
- (vi) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and
- (vii) the Chairman shall call for a meeting upon the request of the external auditors.

f) **Duties**

The duties of the Audit Committee shall include a review of:

- (i) To review with the external auditors on:
 - the audit plan, its scope and nature;
 - the audit report;
 - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
 - the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
- (ii) To review the adequacy of the scope, functions, competency and resources and set the standards of the internal audit function.
- (iii) To provide assurance to the Board of Directors on the effectiveness of the system of internal control and risk management practices of the Group.
- (iv) To review the internal audit programme and results of the internal audit process and whether or not appropriate action is taken on the recommendations of the internal auditors.
- (v) To review with management:
 - audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
 - interim financial information; and
 - the assistance given by the officers of the Company to external auditors.
- (vi) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (vii) To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
 - changes in or implementation of major accounting policy and practices;
 - significant and / or unusual matters arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements; and
 - major areas.
- (viii) To consider the appointment and / or re-appointment of internal and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors.
- (ix) To verify any allocation of options in accordance with the employees share scheme of the Company, at the end of the financial year.



Audit Committee **Report** (cont'd)

3. SUMMARY OF ACTIVITIES

There were five (5) Audit Committee meetings held during the financial year ended 30 September 2008, the details of the attendance are as follows:

NAME	ATTENDANCE
YB Datuk Ab Wahab Bin Ab Latip	5/5
Ir. Loh Khoon Hong	5/5
Lye Siang Long (Resigned on 30 January 2009)	5/5
Cheong Yee Kiong (Appointed on 30 January 2009)	Not applicable

In line with the Terms of Reference of the Audit Committee, the following activities were carried out by the Audit Committee during the year ended 30 September 2008 in the discharge of its functions and duties, including the deliberation and review of:

- the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities.
- the audit plan of the external auditors in terms of their scope of audit prior to their commencement of their annual audit.
- the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from audit of the Group in meeting with the external auditors without the presence of the executive Board members and management.
- the new developments and updates on Financial Reporting Standards issued by the Malaysian Accounting Standards Board and their impact on the Group.
- the Audit Committee Report and Statement on Internal Control for compliance with the Code and MMLR before recommending to the Board for approval.
- the audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval.
- the related party transactions and potential conflict of interest situation that may have arisen within the Company or Group.
- the external audit fees for the financial year ended 30 September 2008 and recommended the same for the approval of the Board of Directors.
- the re-appointment of the external auditors with the consultation of the management and recommended to the Board of Directors for approval.

4. INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to independent consulting firm in December 2008.

In order to act independently from the management, the independent consulting firm will report directly to the Audit Committee and assist the Board in monitoring the risks and reviewing internal controls system to ensure sound internal control system are established and continue to function effectively and satisfactorily with the Group.

5. STATEMENT ON EMPLOYEES SHARE OPTION SCHEME

During the financial year ended 30 September 2008, no allocation of share option was made by the Company pursuant to the Employees Share Option Scheme ("ESOS").

The ESOS had expired on 6 November 2008.



STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARES

1. Disclaimer Statement

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Share Buy-Back Statement ("Statement"), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. Rationale for the Proposed Renewal of Authority for the Purchase by Digistar Corporation Berhad ("Digistar" or the "Company") of its own Ordinary Shares of RM0.10 Each ("Shares") on the MESDAQ Market of Bursa Securities of up to ten per centum (10%) of its Existing Issued and Paid-up Share Capital ("Proposed Renewal")

Any Share Buy-Back, if implemented pursuant to the Proposed Renewal, is expected to potentially benefit the Company and its shareholders as follows:-

- (a) It will enable the Company to utilise its surplus financial resources which is not immediately required for other uses to purchase Digistar Shares from the market. This may help to stabilise the supply and demand of Digistar Shares traded on the MESDAQ Market of the Bursa Securities and thereby support its fundamental value;
- (b) The purchase of its own shares by Digistar, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of Digistar Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in Digistar due to the increase in the Company's earnings per share; and
- (c) The purchased Digistar Shares can be held as treasury shares and resold on the MESDAQ Market at a higher price with the intention of realising potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

3. Retained Profits and Share Premium

Based on the audited financial statements for the year ended 30 September 2008, the retained profits and share premium account of the Company stood at RM2,069,310 and RM1,630,187 respectively.

4. Source of Funds

The funding for the Proposed Renewal will be from internally generated funds and/or borrowings. The actual amount of borrowings will depend on the financial resources available at the time of the Proposed Renewal. The Proposed Renewal will reduce the cash of the Company by an amount equivalent to the purchase price of Digistar Shares and the actual number of Digistar Shares bought back. There is no restriction on the type of funds which may be utilised for the Proposed Renewal so long as it is backed by an equivalent amount of retained profits and/or share premium of the Company.

In the event that the Company decides to utilise external borrowings to finance the Proposed Renewal, there will be a decline in its net cashflow to the extent of the interest cost associated with such borrowings but the Board of Directors of Digistar does not foresee any difficulty in the servicing of interest and repayment of borrowings used for the Proposed Renewal, if any. Based on the audited consolidated financial statements of Digistar as at 30 September 2008, the Group has a net cash and cash equivalent balance of approximately RM4,079,829.

5. Direct and Indirect Interests of the Directors and Substantial Shareholders

Save for the proportionate increase in the percentage of shareholding and/or voting rights in their capacity as the shareholders of the Company, pursuant to the Proposed Renewal, none of the Directors, Substantial Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal and/or resale of treasury shares.

The direct and indirect interest of the Directors and Substantial Shareholders of Digistar as at 3 February 2009 are set out in the tables below together with the effect of the Proposed Renewal assuming that Digistar implements the Proposed Renewal in full and all the shares so purchased are fully cancelled under the following scenarios:



STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARES (cont'd)

5. Direct and Indirect Interests of the Directors and Substantial Shareholders (cont'd)

Minimum Scenario: Assuming that none of the 90,040,325 outstanding 2007/2017 warrants ("Outstanding Warrants") are exercised.

Maximum Scenario: Assuming that all the Outstanding Warrants are exercised.

(a) Direct and Indirect Interests of the Directors of Digistar

Minimum Scenario:

	Before Proposed Renewal ⁽ⁱ⁾				After Proposed Renewal ⁽ⁱⁱ⁾			
	Direct Interest		Indirect Interest #		Direct Interest		Indirect Interest #	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Datuk Lee Wah Chong	7,430,102	4.17	43,158,794	24.24	7,430,102	4.31	43,158,794	25.03
Ong Fee Chong	2,400,110	1.35	43,158,794	24.24	2,400,110	1.39	43,158,794	25.03
Datin Wa Siew Yam	4,413,230	2.48	-	-	4,413,230	2.56	-	-

Maximum Scenario:

	Before Proposed Renewal ⁽ⁱ⁾				After Proposed Renewal ⁽ⁱⁱ⁾			
	Direct Interest		Indirect Interest #		Direct Interest		Indirect Interest #	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Datuk Lee Wah Chong ^(a)	10,970,102	4.09	64,758,794	24.16	10,970,102	4.33	64,758,794	25.55
Ong Fee Chong ^(b)	3,600,165	1.34	64,758,794	24.16	3,600,165	1.42	64,758,794	25.55
Datin Wa Siew Yam ^(c)	5,623,230	2.10	-	-	5,623,230	2.22	-	-

Notes:

- (i) After taking into account the 13,566,700 Shares that have been purchased and held as treasury shares as at 3 February 2009.
- (ii) Assuming that the purchase of Digistar Shares pursuant to the Proposed Renewal is based on the maximum number of Digistar Shares that may be purchases under the respective scenarios.
- (a) Datuk Lee Wah Chong holds 3,540,000 warrants as at 3 February 2009.
- (b) Mr Ong Fee Chong holds 1,200,055 warrants as at 3 February 2009.
- (c) Datin Wa Siew Yam holds 1,210,000 warrants as at 3 February 2009.
- # Deemed interest via Kenangan Lampiran Sdn Bhd under Section 6A of the Companies Act, 1965.

(b) Direct and Indirect Interests of the Substantial Shareholders of Digistar

Minimum Scenario

	Before Proposed Renewal ⁽ⁱ⁾				After Proposed Renewal ⁽ⁱⁱ⁾			
	Direct Interest		Indirect Interest #		Direct Interest		Indirect Interest #	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Kenangan Lampiran Sdn Bhd	43,158,794	24.24	-	-	43,158,794	25.03	-	-
Datuk Lee Wah Chong	7,430,102	4.17	43,158,794	24.24	7,430,102	4.31	43,158,794	25.03
Ong Fee Chong	2,400,110	1.35	43,158,794	24.24	2,400,110	1.39	43,158,794	25.03



STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARES (cont'd)

(b) Direct and Indirect Interests of the Substantial Shareholders of Digistar (cont'd)

Maximum Scenario:

	Before Proposed Renewal ⁽ⁱ⁾				After Proposed Renewal ⁽ⁱⁱ⁾			
	Direct Interest		Indirect Interest #		Direct Interest		Indirect Interest #	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Kenangan Lampiran Sdn Bhd	64,758,794	24.16	-	-	64,758,794	25.55	-	-
Datuk Lee Wah Chong	10,970,102	4.09	64,758,794	24.16	10,970,102	4.33	64,758,794	25.55
Ong Fee Chong	3,600,165	1.34	64,758,794	24.16	3,600,165	2.22	64,758,794	25.55

Notes:

- (i) After taking into account the 13,566,700 Shares that have been purchased and held as treasury shares as at 3 February 2009.
- (ii) Assuming that the purchase of Digistar Shares pursuant to the Proposed Renewal is based on the maximum number of Digistar Shares that may be purchases under the respective scenarios.
- (a) Kenangan holds 21,600,000 warrants as at 3 February 2009.
- (b) Datuk Lee Wah Chong holds 3,540,000 warrants as at 3 February 2009.
- (c) Mr Ong Fee Chong holds 1,200,055 warrants as at 3 February 2009.
- # Deemed interest via Kenangan Lampiran Sdn Bhd under Section 6A of the Companies Act, 1965.

6. Potential Advantages and Disadvantages of the Proposed Renewal

For the potential advantages of the Proposed Renewal to the Company and its shareholders, kindly refer to section 2 of this Statement.

For the potential disadvantages of the Proposed Renewal to the Company and its shareholders are as follows:-

- (a) the Proposed Renewal will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in the future;
- (b) the cashflow of the Company may be affected if the Company decides to utilise bank borrowings to finance a Share Buy-Back;
- (c) as the Proposed Renewal can only be made out of the retained profits and/or share premium account of the Company, it will result in a reduction in the financial resources available for distribution to shareholders of the Company in the immediate future; and
- (d) the Proposed Renewal may reduce the consolidated net assets of the Company if the purchase price of Digistar Shares is higher than the consolidated net assets of the Company at the time of purchase.

Nevertheless, any Share Buy-Back to be undertaken pursuant to the Proposed Renewal is not expected to have any potential material disadvantages to the Company and its shareholders as the Company would purchase Digistar Shares only after the Board has given due consideration to its potential impact on the Company's earnings and financial position and the Board is of the opinion that it would be in the best interest of the Company and its shareholders to do so.



STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARES (cont'd)

7. Financial Effects

The financial effects of Share Buy-Back under the Proposed Renewal on the share capital, earnings, net assets ("NA"), dividend, working capital, substantial shareholders' and directors' shareholdings of Digistar are set out below:

(a) Share Capital

	Minimum Scenario No. of shares	Maximum Scenario No. of shares
As at 3 February 2009	191,580,650	191,580,650
Upon full exercise of all Outstanding Warrants	-	90,040,325
	191,580,650	281,620,975
Proposed Renewal (assuming that all the Digistar Shares purchased are fully cancelled)	*(19,158,065)	*(28,162,097)
Resultant share capital	172,422,585	253,458,878

Note:

* Includes the 13,566,700 Digistar Shares purchased and held as treasury shares as at 3 February 2009.

The proforma effects of Share Buy-Back pursuant to the Proposed Renewal on the share capital of Digistar will depend on the intention of the Board with regards to the treatment of the purchased Digistar Shares. If the purchased Digistar Shares are cancelled, it will result in a reduction of the total issued and paid-up share capital of the Company as shown in the table above. Conversely, if the purchased Digistar Shares are retained as treasury shares, there will be no effect on the issued and paid-up share capital of Digistar. Nevertheless, certain rights attached to the Digistar Shares will be suspended while they are held as treasury shares.

(b) Earnings

The effects of Share Buy-Back under the Proposed Renewal on the earnings of the Group would depend on the purchase price and the number of Digistar Shares purchased. The effective reduction in the issued and paid-up share capital of the Company pursuant to a Share Buy-Back will, generally, with all else being equal, have a positive impact on the consolidated earnings per share of the Company.

(c) NA

The consolidated NA of the Company may increase or decrease depending on the number of Digistar Shares purchased, the purchase prices of the Digistar Shares, the effective cost of funding and the treatment of the Digistar Shares purchased.

Share Buy-Back will reduce the NA per Digistar Share when the purchase price exceeds the NA per Digistar Share at the time of purchase. On the other hand, the NA per Digistar Share will increase when the purchase price is less than the NA per Digistar Share at the time of purchase.

(d) Dividend

No dividend has been declared in respect of financial year ended 30 September 2008. Barring unforeseen circumstances, the dividends to be declared by Digistar, if any, in respect of the current financial year ending 30 September 2009 would depend on amongst others, the cash availability, retained profits, cashflow position and funding requirements of the Digistar Group.

(e) Working capital

Share Buy-Back pursuant to the Proposed Renewal would reduce funds available for working capital purposes of the Company, the quantum of which would depend on the purchase price, the actual number of Digistar Shares purchased and any associated costs incurred in making the purchase.



STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARES (cont'd)

8. Implication of the Malaysian Code on Take-Overs and Mergers 1998 (the "Code")

Pursuant to the Code, a person, and any person acting in concert with him, will be required to make a mandatory general offer ("GO") for the remaining shares of the Company not already owned by him/them if his/their stake in the Company is increased to beyond 33% or if his/their shareholding is between 33% and 50% and increases by another 2% in any six (6)-month period. However, an exemption from undertaking a GO may be granted by the Securities Commission ("SC") under Practice Note 2.9.10 of the Code.

As at 3 February 2009, the collective percentage shareholding of the sole direct substantial shareholder of Digistar, Kenangan Lampiran Sdn Bhd ("Kenangan"), and parties acting in concert ("PAC") is 32.94%. Based on their collective shareholding as at 3 February 2009 and assuming Kenangan and PAC do not acquire any Digistar Shares, the implementation of Share Buy-Back pursuant to the Proposed Renewal would result in a GO being triggered by Kenangan and the PAC. Therefore, they would be obliged to undertake a GO for the remaining Digistar Shares not held by them pursuant to the Code.

Should such circumstance arise and if required, Kenangan and PAC are required to seek SC's approval for a waiver from the obligation to undertake a GO under Practice Note 2.9.10 of the Code ("Proposed Waiver").

In the event the Proposed Waiver is not granted, the Company will only proceed with the Share Buy-Back pursuant to the Proposed Renewal to the extent that it will not contravene the limit as provided under the Code.

9. Purchases Made in Last Financial Year

During the financial year ended 30 September 2008, the Company purchased a total of 9,683,500 Digistar Shares from the open market at an average price of RM0.1486 per share or a total consideration of RM1,419,343. All the Digistar Shares purchased during the financial year ended 30 September 2008 have been retained as treasury shares, and the total numbers of Shares retained as treasury shares as at 30 September 2008 was 13,526,600.

The information on purchase made by the Company of its own shares in financial year ended 30 September 2008 has been set out in the "Additional Compliance Information" section of this Annual Report.

10. Public Shareholding Spread

According to Digistar's Record of Depositors as at 3 February 2009, there were 2,559 public shareholders holding not less than 100 Digistar Shares, with a total shareholding of 67.03% of the Company's issued and paid-up share capital.

The public shareholding spread of the Company is expected to be reduced to 65.96% assuming the Company implements the Share Buy-Back in full i.e. up to 10% of the issued and paid-up share capital of the Company as at 3 February 2009. Further, the purchased Digistar Shares are assumed to be purchased from the market from shareholders of Digistar who are deemed public, and the number of Digistar Shares held by the Directors and substantial shareholders of Digistar and/or persons connected to them remains unchanged.

Notwithstanding the above, the Company, in implementing any Share Buy-Back, will be mindful in ensuring that the aforesaid public shareholding spread requirement is met and maintained at all times;

11. Directors' Statement

Your Directors, having considered all aspects of the Proposed Renewal, are of the opinion that the Proposed Renewal is in the best interest of the Company.

12. Directors' Recommendation

Your Directors are of the opinion that the Proposed Renewal is in the best interests of the Company and its shareholders. Accordingly, your Directors recommend that you vote in favor of the resolution in relation to the Proposed Renewal to be tabled at the forthcoming AGM.

13. Other Information

There is no other information concerning the Proposed Renewal as shareholders and other professional advisers would reasonably require and expect to find in the Statement for the purpose of making informed assessment as to the merits of approving the Proposed Renewal and the extent of the risks involved in doing so.



Statement Of Corporate Governance

The Board of Directors ("Board") is committed to uphold the high standards of corporate governance within the Group, as it is a fundamental part of discharging its responsibility to protect and enhance shareholders value and the performance of the Group.

This statement describes the manner in which the Group has applied the principles and the extent to which it has complied with the best practices of good governance as set out in Part 1 and Part 2 respectively in the Malaysian Code on Corporate Governance (Revised 2007) ("Code") pursuant to Rule 15.25 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR").

A) BOARD

The Board is entrusted with the proper stewardship of the Company's resources for the best interest of its shareholders and also to steer the Group towards achieving the maximum economic value capable of achieving. The members of the Board have extensive experience and expertise in a wide range of related and unrelated industries and have been selected based on their skills, knowledge and their ability to add strength to the leadership.

The Directors are equally accountable for the Company's activities, strategy and financial performance. Particular attention is given to ensure that the strategies proposed by the Management of the Company are fully discussed and critically examined by the Board.

Composition and Balance of the Board

The strength of the Board lies in the composition of its members, who has a wide range of expertise, extensive experience and diverse background in business, finance and technical knowledge.

The current Board has eight (8) members comprising four (4) Executive Members and four (4) Independent Non-Executive Members. This composition complies with Rule 15.02(1) of the MMLR wherein it states that the Board must comprise at least two (2) or one-third (1/3) of the Board, whichever is higher, comprise Independent Directors. The profile of each Director is presented separately in this annual report.

YB Datuk Md. Sirat Bin Abu is the Group's Independent Non-Executive Chairman while Datuk Lee Wah Chong is the Group's Managing Director. The Chairman is responsible for the Board's effectiveness and conduct, whilst the Managing Director has overall responsibilities over the business and operation of the Group. The clear division of functions and responsibilities between these two roles will ensure the balance of power and authority.

Independent Non-Executive Directors play a crucial supervisory function. The presence of Independent Non-Executive Directors are essential in providing unbiased and independent views, advice and judgement, ensuring a balanced and impartial Board decision making process as well as safeguarding the interests of other parties, such as minority shareholders. All Non-Executive Directors do not participate in the day-to-day management of the Group.

Board Responsibilities

The Board provides overall strategic direction and effective control of the Company. The Board has reserved appropriate strategic, financial and organisational matters for its collective decision. Key matters, such as approval of annual and interim results, acquisitions and disposals of material investment, material agreements, major capital expenditures, budgets, long term plans and succession planning for top management are reserved for the Board.



Statement Of Corporate Governance (cont'd)

Board Meetings

The Board meets regularly on a quarterly basis and as and when required. There were six (6) meetings held during the financial year ended 30 September 2008, the details of the attendance are as follows:-

NAME	ATTENDANCE
YB Dato' Hasan Bin Malek (Resigned on 14 April 2008)	4/4
Datuk Lee Wah Chong	6/6
Ong Fee Chong	6/6
Datin Wa Siew Yam	6/6
Ir. Loh Khoon Hong	6/6
Lye Siang Long	6/6
YB Datuk Ab Wahab Bin Ab Latip	5/6
Datuk Md. Sirat Bin Abu (Appointed on 14 April 2008)	2/2
Cheong Yee Kiong (Appointed on 30 January 2009)	Not applicable

Supply of Information

All Directors are provided with sufficient notices for each Board meeting and Board papers are provided to the Directors on a timely manner to allow the Directors to peruse, obtain additional information and where applicable, to seek further clarification on the matters to be tabled at the meeting.

Where applicable, there will be a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisitions and disposals of major investments, change of management and control structure of the Group, including key policies, procedures and authority limits.

The proceedings and resolutions pass at each Board Meeting are minuted and kept in the statutory minutes book at the registered office of the Company.

The Directors whether as full board or in their individual capacity, have unrestricted access to all information pertaining to the group's business and affairs to enable them to carry out their duties effectively and diligently. In addition, where considered necessary, the Board may obtain an independent professional advice in furtherance of their duties, at the Company's expense.

All Directors also have direct access to the advice and the services of the Group's Company Secretaries. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings.

Appointment and Re-election of the Board Members

The appointment of Directors is undertaken by the Board as a whole.

In accordance with the Articles of Association of the Company, at least one-third (1/3) of the Directors shall retire by rotation at each AGM once every three (3) years, but shall be eligible for re-election. A retiring director shall retain office until the close of the meeting at which he/she retires.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by the MMLR on all directors of listed companies. During the financial year ended 30 September 2008, Director were also briefed by the Company Secretaries on the various amendments to the MMLR as well as the Code. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge.



Statement Of Corporate Governance (cont'd)

B) DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for directors so as to attract and retain Directors of the caliber needed to run the Group successfully. Details of the aggregate remuneration of the Directors for the financial year ended 30 September 2008 are as follows:

Remuneration Components	Group	
	Executive Directors RM	Non-Executive Directors RM
Fees	80,000	79,800
Salaries	824,000	-
Bonuses	33,500	-
EPF	102,900	-
Allowance	-	53,116
	1,040,400	132,916

The number of Directors in each remuneration band for the financial year is as follows:-

Range of Remuneration	Group	
	Executive Directors	Non-Executive Directors
RM50,000 and below	-	4
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	1	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	1	-

C) SHAREHOLDERS

Shareholders and Investors Relations

The Group recognises the importance of timely and thorough dissemination of information to shareholders. In this regard, the information that is disseminated to the investment community conforms strictly with the Bursa Securities disclosure rules and regulations. Care is taken to ensure that no market sensitive information such as corporate proposals, financial results and other material information is disseminated to any party without first making an official announcement through Bursa Securities. The annual report has comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investors with financial information.

Annual General Meeting

The Annual General Meeting ("AGM") is a crucial mechanism and it is the principal forum in shareholder communication. Shareholders are notified of the meeting and provided with a copy of the Company's annual report twenty one (21) days before the meeting. At each AGM, the Board presents the progress and performance of the Company and provides shareholders with an opportunity to ask for more information pertaining to the financial statements, without limiting the time and questions asked. During the meeting, the Chairman and Board will respond to queries and undertake to provide sufficient explanation and clarification on issues and concerns raised by the shareholders. The Board has ensured that each item of special business included in the notice of the AGM is accompanied by a full explanation of the effects of the proposed resolution to facilitate full understanding and evaluation of the issues involved. Where Extraordinary General Meeting are held to obtain shareholders' approval on business or corporate proposals, comprehensive circulars are sent to shareholders within prescribed deadlines in accordance with regulatory and statutory provisions.



Statement Of Corporate Governance (cont'd)

D) ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is aware of its responsibilities to the shareholders and the requirements to present a balanced and comprehensive assessment of the Group's financial position, by means of the annual and quarterly report and other published information. In this regard, the Board is primarily responsible to present a fair and balanced report of the financial affairs of the Group, which is prepared in accordance with the Companies Act, 1965 and the approved accounting standards set by Malaysian Accounting Standard Board. With assistance from the Audit Committee, the Board scrutinized the financial aspect of the Audited Financial Statements and reviewed the statutory compliance aspects of the Audited Financial Statements.

Internal Control

The Board acknowledged its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and Group's assets.

The Audit Committee is assigned by the Board with the duty to review the adequacy and effectiveness of control procedures and report to the Board on major findings for deliberation.

Information on the Group's system of internal control is presented in the Statement on Internal Control in this Annual Report.

Relationship with Auditors

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the external auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards. The Audit Committee has been explicitly accorded the power to communicate directly with the external and internal auditors. From time to time, the external auditors will highlight to the Audit Committee and the Board on matters that require their attention. The role of the Audit Committee in relation to the external auditors is set out in the Audit Committee Report in this Annual Report.

E) DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors of the Company are required to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs and results of the Company and the Group.

The Directors are responsible for ensuring that the Company and the Group keep proper accounting records to enable the Company and the Group to disclose, with reasonable accuracy and without any material misstatement, the financial position of the Company and the Group as at 30 September 2008 and the profit and loss of the Company and the Group for the financial year ended on that date.

In preparing the financial statements for the financial year ended 30 September 2008, the Directors have:

- a) adopted the relevant and appropriate accounting policies consistently;
- b) made judgements and estimates that are reasonable and prudent;
- c) adopted applicable accounting standards, subjects to any material departures, if any, which will be disclosed and explained in the financial statements; and
- d) prepared the financial statements on the assumption that the Company and the Group will operate as going concern.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board its activities, significant results, findings and the necessary recommendations or changes.



Additional Compliance Information

1. UTILISATION OF PROCEEDS

Private Placement

On 28 August 2007, the Private Placement of up to ten percent (10%) of the issued and paid-up share capital of the Company was completed with the listing of 11,500,000 ordinary shares of RM 0.10 each held in Digistar. All 11,500,000 Digistar Shares were issued in a single and also final tranche at an issue price of RM 0.14 per share. The Company has fully utilised the proceeds raised from the Private Placement as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	%	Explanations
Working Capital	1,530	1,545	(15)	0.1	Excess estimated expenses utilized for working capital purposes
Defraying of expenses incidental to the exercise	80	65	15	18.8	
Total	1,610	1,610	-		

2. SHARE BUY-BACK

Details of the Company's Share Buy-Back exercises for the year shown in the following:

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share RM	Total Cost RM
		Lowest	Highest		
October 2007	1,815,100	0.1550	0.2000	0.1796	325,942
November 2007	1,040,600	0.1800	0.1950	0.1852	192,743
January 2008	1,156,000	0.1400	0.1450	0.1406	162,536
February 2008	3,578,200	0.1450	0.1500	0.1456	521,038
March 2008	40,000	0.1200	0.1200	0.1212	4,846
May 2008	169,000	0.1100	0.1150	0.1119	18,913
June 2008	1,507,600	0.0950	0.1200	0.1031	155,409
July 2008	377,000	0.0950	0.1050	0.1006	37,915
Total	9,683,500			0.1466	1,419,343

None of the treasury shares were resold or cancelled during the financial year.



Additional **Compliance Information** (cont'd)

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no exercise of options, warrants or convertible securities during the financial year ended 30 September 2008.

4. DEPOSITORY RECEIPTS PROGRAMME

The Company did not sponsor any depository receipts programme during the financial year.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

6. VARIATION OF RESULTS

The Company did not issue any profit estimate, forecast or projection for the financial year.

There was no significant variance between the profit after tax and minority interest for the financial year ended 30 September 2008 as per the audited financial statements and the unaudited results previously announced.

7. PROFIT GUARANTEE

The Company did not give any profit guarantee during the financial year.

8. MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries, involving the directors and substantial shareholders' interests during the financial year.

9. REVALUATION POLICY ON LANDED PROPERTIES

The Company does not have any revaluation policy on landed properties.

10. NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors by the Group during the financial year is RM 13,140.

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year, the Group has made many contributions and donations to worthy causes such as contributions to Myanmar Funds and donation of dialysis machine to Yayasan Kebajikan Hemodialisis of the Southern Melaka.

As part of its social contribution towards our society, Digistar Group also provide industrial training opportunities via internship to the students from the University of Technology Malaysia (UTM), Universiti Institut Teknologi Malaysia (UiTM), Universiti Teknologi Mara (MARA) and private colleges since 1998.



Statement On Internal Control

Based on the latest amendments to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market ("MMLR") on 28 January 2008, listed companies are required to establish internal audit function within the Company, either performed in-house or outsourced, which is independent of the Management and report to the Audit Committee directly. This is to ensure that all practical control mechanisms are present to safeguard the shareholders' investments and the Group's assets.

In accordance with Rule 2.14(c), Guidance Note 2 of the MMLR, the Board of Directors ("Board") is pleased to include a statement on the state of the Group's internal control systems.

BOARD RESPONSIBILITY

In accordance with the Malaysian Code on Corporate Governance (Revised 2007), one (1) of the six (6) principal responsibilities expected of the Board is to review, amongst others, the adequacy and integrity of the internal control mechanism including system for compliance with the applicable law and legal requirements.

The Board recognises the importance of maintaining a sound internal control system covering risk management and the financial, operational and compliance controls to safeguard shareholders' investment and the Group's assets. The Board acknowledges that it is responsible for the Group's system of internal control and for the continuing review of its adequacy and integrity.

The internal control system is designed to cater for the Group's needs and to manage the risks to which it is exposed. It should be noted that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group, and can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board recognises its responsibilities with regard to identifying and managing principal risks.

The Group is in the process of formalising the Group's risk management framework in which the existence of significant risks of the Group will be identified and quantified. A risk profile of the Group will be compiled to help the Board and senior management to prioritise their focus on areas of high risks.

The senior management is responsible for identifying, managing and reporting on significant risks on an ongoing basis. Significant risk matters are brought to the attention of the Executive Directors, and if necessary, are also discussed at Board meetings.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced the internal audit function to an independent consulting firm to provide the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit function will commence its work in the financial year ending 30 September 2009. It will adopt a risk-based audit approach and will report its audit findings and recommendations to the Audit Committee during Audit Committee meetings.

OTHER KEY ELEMENT OF INTERNAL CONTROLS

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:-

- i) An organisation structure with clearly defined lines of responsibility, authority and accountability;
- ii) Regular Board and management meetings are held where information is provided to the Board and management covering financial performances and operations;
- iii) Regular training and development programs are being attended by employees with the objective of enhancing their knowledge and competency; and
- iv) Management accounts and reports are prepared regularly for monitoring of actual performance.

The internal control system will continue to be reviewed, added on or updated in line with the changes in the operating environment.

CONTROL WEAKNESS

The management continues to take measures to strengthen the control environment. In the year under review, there were no material losses, incurred as a result of weakness in the internal control that would require disclosure in this annual report.

CONCLUSION

The Board is of the opinion that based on the current level of activities, the Group's system of internal control is sufficient.

Moving forward, the Group will continue to improve and enhance the existing system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.



DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit after taxation for the financial year attributable to equity holders of the Company	596,622	162,160

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased a total of 9,683,500 of its own issued ordinary shares from the open market at an average purchase price of RM0.15 per share under the Company's share buy-back scheme. These shares were held as treasury shares, and the total consideration paid for the purchase of these shares including transaction costs amounted to RM1,419,343.

As at 30 September 2008, the Company held as treasury shares a total of 13,526,600 of its 191,580,650 issued and fully paid ordinary shares, at a carrying amount of RM2,009,947. None of the treasury shares held were sold or cancelled during the financial year.

The detailed movements of the treasury shares during the financial year are disclosed in Note 20 to the financial statements.



DIRECTORS' REPORT (CONT'D)

WARRANTS 2007/2017

As at the balance sheet date, the Company has 90,040,325 Warrants 2007/2017 in issue. The salient features of the Warrants 2007/2017 as constituted in the Deed Poll dated 5 December 2006 are as follows:-

Terms	Details
Exercise Period	The Warrants shall be exercisable at any time within the period commencing from the date of issue of the Warrants and will be expiring on 7 February 2017. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	RM0.16 payable in full upon the exercise of each Warrant.
Exercise Rights	Each Warrant entitles the holder to subscribe for one new ordinary share of RM0.10 each in the Company at the Exercise Price at any time during the Exercise Period.
Mode of Exercise	The registered holder of the Warrants shall pay cash for the Exercise Price when subscribing for the new ordinary shares in the Company.
Listing	Approval in principle from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on 8 December 2006 for admission of the Warrants to the Official List as well as the listing of the new ordinary shares arising from the exercise of the Warrants.
Board Lots	The Warrants are tradable upon listing on Bursa Securities in board lots of 100 warrants carrying the right to subscribe for 100 new ordinary shares of the Company.
Ranking of the new ordinary shares to be issued pursuant to the exercise of the warrants	The new ordinary shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the issued and paid-up ordinary shares of the Company, save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date/books closure date of which precedes the date of allotment of the new ordinary shares to be issued pursuant to the exercise of the Warrants.

The following is the movement in the number of Warrants 2007/2017 of the Company during the financial year:-

	No. of Warrants 2007/2017
As at 1 October 2007	90,040,325
Issued during the financial year	-
Exercised during the financial year	-
As at 30 September 2008	90,040,325

EMPLOYEES' SHARE OPTION SCHEME ("ESOS" OR THE "SCHEME")

The Company's Employees' Share Option Scheme is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 August 2003. The ESOS was implemented on 6 November 2003 and is to be in force for a period of 5 years from the date of implementation. The movement in the options to subscribe for new ordinary shares of RM0.10 each in the Company at the respective exercise price per share is as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH UNDER OPTION AT EXERCISE PRICE OF RM0.275
At 1 October 2007	15,405,200
Exercised during the financial year	-
Lapsed due to resignations	(570,000)
At 30 September 2008	14,835,200



DIRECTORS' REPORT (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS" OR THE "SCHEME") (CONT'D)

The main features of the ESOS are as follows:-

- (a) any employees (including executive directors) who are at least 18 years old, and have been confirmed and served full time in the employment and on the payroll of any company within the Group for a continuous period of at least one year shall be eligible to participate in the Scheme;
- (b) in the case of the executive directors of the Company and persons connected to them, their specific entitlements under the Scheme shall be approved by the shareholders of the Company in a General Meeting;
- (c) the total number of new ordinary shares of the Company which may be made available under the Scheme shall not exceed thirty per cent of the total issued and paid-up share capital of the Company at any time during the existence of the Scheme;
- (d) not more than fifty per cent of the new ordinary shares of the Company available under the Scheme should be allocated, in aggregate, to the executive directors and senior management of the Group;
- (e) not more than twenty five per cent of the new ordinary shares of the Company available under the Scheme should be allocated to any individual eligible employee;
- (f) the price at which the option holder is entitled to subscribe for each new ordinary share of the Company may be at a discount of not more than ten per cent (if deemed appropriate by the Options Committee) from the five-day weighted average market price of ordinary shares as at the offer date provided that the subscription price shall not be less than the par value of the ordinary share; and
- (g) the shares to be allotted upon any exercise of an option will upon allotment rank pari passu in all respects with the existing issued and paid-up shares of the Company.

The ESOS expired on 6 November 2008.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.



DIRECTORS' REPORT (CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 38 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

DATUK LEE WAH CHONG

DATIN WA SIEW YAM

ONG FEE CHONG

YB DATUK AB WAHAB BIN AB LATIP

IR. LOH KHOON HONG

LYE SIANG LONG

DATUK MD. SIRAT BIN ABU (APPOINTED ON 14.4.2008)

YB DATO' HASAN BIN MALEK (RESIGNED ON 14.4.2008)



DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			AT 30.9.2008
	AT 1.10.2007	BOUGHT	SOLD	
<i>DIRECT INTERESTS</i>				
DATUK LEE WAH CHONG	4,119,202	3,310,900	-	7,430,102
DATIN WA SIEW YAM	4,413,230	-	-	4,413,230
ONG FEE CHONG	2,400,110	-	-	2,400,110
<i>INDIRECT INTERESTS</i>				
DATUK LEE WAH CHONG ⁽¹⁾	43,158,794	-	-	43,158,794
ONG FEE CHONG ⁽¹⁾	43,158,794	-	-	43,158,794

	NUMBER OF OPTIONS UNDER ESOS			AT 30.9.2008
	AT 1.10.2007	GRANTED	EXERCISED	
DATUK LEE WAH CHONG	4,576,000	-	-	4,576,000
DATIN WA SIEW YAM	1,368,000	-	-	1,368,000
ONG FEE CHONG	2,136,000	-	-	2,136,000
LYE SIANG LONG	600,000	-	-	600,000

	NUMBER OF WARRANTS 2007/2017			AT 30.9.2008
	AT 1.10.2007	BOUGHT	SOLD	
<i>DIRECT INTERESTS</i>				
DATUK LEE WAH CHONG	1,530,000	2,010,000	-	3,540,000
DATIN WA SIEW YAM	1,210,000	-	-	1,210,000
ONG FEE CHONG	1,200,055	-	-	1,200,055
<i>INDIRECT INTERESTS</i>				
DATUK LEE WAH CHONG ⁽¹⁾	21,600,000	-	-	21,600,000
ONG FEE CHONG ⁽¹⁾	21,600,000	-	-	21,600,000

⁽¹⁾ Interest held through Kenangan Lampiran Sdn. Bhd. by virtue of Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interests in shares in the Company and its related corporations during the financial year.

By virtue of their interests in shares in the Company, Datuk Lee Wah Chong and Ong Fee Chong are deemed to have interests in the shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.



DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

The significant event after the balance sheet date is disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 29 JANUARY 2009

Datuk Lee Wah Chong

Lye Siang Long



STATEMENT BY DIRECTORS/ STATUTORY DECLARATION

STATEMENT BY DIRECTORS

We, Datuk Lee Wah Chong and Lye Siang Long, being two of the directors of Digistar Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 33 to 66 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 September 2008 and of their results and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 29 JANUARY 2009**

Datuk Lee Wah Chong

Lye Siang Long

STATUTORY DECLARATION

I, Lye Siang Long, I/C No. 700723-07-5143, being the director primarily responsible for the financial management of Digistar Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 66 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Lye Siang Long, I/C No. 700723-07-5143
at Kuala Lumpur in the Federal Territory
on this 29 January 2009

Lye Siang Long

Before me

Hj Abdul Rahim B. TSV Mohamed Abdullah (W484)
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD

Report on the Financial Statements

We have audited the financial statements of Digistar Corporation Berhad, which comprise the balance sheets as at 30 September 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 66.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2008 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Horwath

Firm No: AF 1018
Chartered Accountants

Kuala Lumpur

29 January 2009

Onn Kien Hoe

Approval No: 1772/11/10 (J/PH)
Partner



BALANCE SHEETS AT 30 SEPTEMBER 2008

		THE GROUP		THE COMPANY	
	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	5,078,679	5,012,227
Property, plant and equipment	7	6,496,296	6,042,075	-	-
Prepaid lease payments	8	594,188	601,829	-	-
Investment properties	9	366,163	366,163	-	-
Deferred tax assets	11	151,000	-	-	-
		7,607,647	7,010,067	5,078,679	5,012,227
CURRENT ASSETS					
Inventories held for resale	12	2,853,268	2,018,680	-	-
Trade receivables	13	21,990,998	15,524,077	-	-
Amount owing by contract customers	14	-	2,667,134	-	-
Other receivables, deposits and prepayments		960,148	459,466	1,982	1,000
Amount owing by subsidiaries	15	-	-	16,309,606	17,789,674
Tax refundable		-	271,044	90,669	61,968
Fixed deposits with licensed banks	16	7,921,181	8,836,343	-	-
Cash and bank balances		130,238	1,817,885	4,325	1,990
		33,855,833	31,594,629	16,406,582	17,854,632
TOTAL ASSETS		41,463,480	38,604,696	21,485,261	22,866,859
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	19,158,065	19,158,065	19,158,065	19,158,065
Share premium	18	1,630,187	1,630,187	1,630,187	1,630,187
Warrants reserve	19	503,064	503,064	503,064	503,064
Treasury shares	20	(2,009,947)	(590,604)	(2,009,947)	(590,604)
Retained profits	21	6,830,997	6,234,375	2,069,310	1,907,150
Translation reserve		3,055	-	-	-
SHAREHOLDERS' EQUITY		26,115,421	26,935,087	21,350,679	22,607,862
MINORITY INTEREST		53,450	-	-	-
TOTAL EQUITY		26,168,871	26,935,087	21,350,679	22,607,862

The annexed notes form an integral part of these financial statements.



BALANCE SHEETS AT 30 SEPTEMBER 2008 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2008 RM	2007 RM	2008 RM	2007 RM
NON-CURRENT LIABILITIES					
Hire purchase payables	22	42,059	133,040	-	-
Deferred taxation	23	-	42,000	-	-
		<hr/> 42,059	<hr/> 175,040	<hr/> -	<hr/> -
CURRENT LIABILITIES					
Trade payables	24	3,315,027	3,903,503	-	-
Other payables and accruals		471,788	823,682	134,582	258,997
Amount owing to contract customers	14	3,231,625	-	-	-
Hire purchase payables	22	90,982	249,486	-	-
Short-term borrowings	25	3,978,000	3,284,271	-	-
Bank overdrafts	26	3,971,590	3,233,627	-	-
Provision for taxation		193,538	-	-	-
		<hr/> 15,252,550	<hr/> 11,494,569	<hr/> 134,582	<hr/> 258,997
TOTAL LIABILITIES		<hr/> 15,294,609	<hr/> 11,669,609	<hr/> 134,582	<hr/> 258,997
TOTAL EQUITY AND LIABILITIES		<hr/> 41,463,480	<hr/> 38,604,696	<hr/> 21,485,261	<hr/> 22,866,859
NET ASSETS PER SHARE	27	15 sen	14 sen		

The annexed notes form an integral part of these financial statements.



INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

	NOTE	THE GROUP		THE COMPANY	
		2008 RM	2007 RM	2008 RM	2007 RM
REVENUE	28	52,003,602	38,260,026	509,316	509,316
COST OF SALES		(41,962,356)	(32,956,134)	-	-
GROSS PROFIT		10,041,246	5,303,892	509,316	509,316
OTHER INCOME		387,949	386,275	-	1,329
		10,429,195	5,690,167	509,316	510,645
ADMINISTRATIVE EXPENSES		(5,217,537)	(4,697,513)	(267,888)	(327,616)
MARKETING EXPENSES		(1,092,389)	(637,009)	-	-
OTHER EXPENSES		(2,994,482)	(1,987,215)	-	-
FINANCE COSTS		(450,605)	(539,094)	-	-
		(9,755,013)	(7,860,831)	(267,888)	(327,616)
PROFIT/(LOSS) BEFORE TAXATION	29	674,182	(2,170,664)	241,428	183,029
INCOME TAX EXPENSE	30	(78,361)	195,484	(79,268)	(70,466)
PROFIT/(LOSS) AFTER TAXATION		595,821	(1,975,180)	162,160	112,563
ATTRIBUTABLE TO:-					
Equity holders of the Company		596,622	(1,975,180)	162,160	112,563
Minority interests		(801)	-	-	-
		595,821	(1,975,180)	162,160	112,563
Earnings/(Loss) per ordinary share	31				
- basic		0.33 sen	(1.09 sen)		
- fully diluted		N/A	N/A		

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

THE GROUP	NOTE	NON-DISTRIBUTABLE RESERVE				DISTRIBUTABLE RESERVE			TOTAL	MINORITY INTEREST	TOTAL EQUITY
		SHARE CAPITAL	SHARE PREMIUM	WARRANTS RESERVE	TREASURY SHARES	NEGATIVE GOODWILL	TRANSLATION RESERVE	RETAINED PROFITS			
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1.10.2006		17,358,065	1,145,416	-	-	4,031,355	-	4,178,200	26,713,036	-	26,713,036
Effect of adopting FRS 3		-	-	-	-	(4,031,355)	-	4,031,355	-	-	-
Issuance of ordinary shares under private placement		1,800,000	590,000	-	-	-	-	-	2,390,000	-	2,390,000
Issuance of warrants	20	-	-	900,403	(590,604)	-	-	-	900,403	-	900,403
Expenses incurred for:		-	-	-	-	-	-	-	(590,604)	-	(590,604)
- private placement	18	-	(105,229)*	-	-	-	-	-	(105,229)	-	(105,229)
- issuance of warrants	19	-	-	(397,339)*	-	-	-	-	(397,339)	-	(397,339)
Loss after taxation		-	-	-	-	-	-	(1,975,180)	(1,975,180)	-	(1,975,180)
Balance at 30.9.2007/1.10.2007		19,158,065	1,630,187	503,064	(590,604)	-	-	6,234,375	26,935,087	-	26,935,087
Treasury shares acquired	20	-	-	-	(1,419,343)	-	-	-	(1,419,343)	-	(1,419,343)
Currency translation difference		-	-	-	-	-	3,055*	-	3,055	-	3,055
Subscription for shares		-	-	-	-	-	-	-	-	-	-
In a subsidiary		-	-	-	-	-	-	-	-	54,251	54,251
Profit after taxation		-	-	-	-	-	-	596,622	596,622	(801)	595,821
Balance at 30.9.2008		19,158,065	1,630,187	503,064	(2,009,947)	-	3,055	6,830,997	26,115,421	53,450	26,168,871

* - represents (loss)/gain not recognised in the income statement.

THE COMPANY	NOTE	NON-DISTRIBUTABLE RESERVE				DISTRIBUTABLE RESERVE			TOTAL
		SHARE CAPITAL	SHARE PREMIUM	WARRANTS RESERVE	TREASURY SHARES	RETAINED PROFITS	RM	RM	
		RM	RM	RM	RM	RM	RM	RM	RM
At 1.10.2006		17,358,065	1,145,416	-	-	-	1,794,587	20,298,068	
Issuance of ordinary shares under private placement		1,800,000	590,000	-	-	-	-	2,390,000	
Issuance of warrants		-	-	900,403	-	-	-	900,403	
Treasury shares acquired	20	-	-	-	(590,604)	-	-	(590,604)	
Expenses incurred for:		-	-	-	-	-	-	-	
- private placement	18	-	(105,229)*	-	-	-	-	(105,229)	
- issuance of warrants	19	-	-	(397,339)*	-	-	-	(397,339)	
Profit after taxation		-	-	-	-	112,563	-	112,563	
Balance at 30.9.2007/1.10.2007		19,158,065	1,630,187	503,064	(590,604)	1,907,150	22,607,862		
Treasury shares acquired	20	-	-	-	(1,419,343)	-	(1,419,343)		
Profit after taxation		-	-	-	-	162,160	162,160		
Balance at 30.9.2008		19,158,065	1,630,187	503,064	(2,009,947)	2,069,310	21,350,679		

The annexed notes form an integral part of these financial statements.



CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	674,182	(2,170,664)	241,428	183,029
Adjustments for:-				
Allowance for doubtful debts	2,229,591	1,260,066	-	-
Amortisation of prepaid lease payments	7,641	7,641	-	-
Depreciation of property, plant and equipment	715,779	710,756	-	-
Impairment of goodwill	3,199	6,496	-	-
Interest expense	376,022	459,927	-	-
Property, plant and equipment written off	-	2,237	-	-
Dividend income	-	-	(509,316)	(509,316)
Loss/(Gain) on disposal of property, plant and equipment	26,453	(52,000)	-	-
Interest income	(267,384)	(265,003)	-	(1,329)
Write-back of allowance for doubtful debts	(113,581)	(2,000)	-	-
Operating profit/(loss) before working capital changes	3,651,902	(42,544)	(267,888)	(327,616)
(Increase)/ Decrease in inventories	(834,588)	399,204	-	-
Decrease in amount owing by contract customers	-	4,766,096	-	-
Increase in amount owing to contract customers	5,898,759	-	-	-
(Increase)/Decrease in trade and other receivables	(9,083,613)	(6,209,295)	(982)	47,720
(Decrease)/Increase in trade and other payables	(940,370)	1,841,410	(124,415)	(405,349)
CASH FLOWS (FOR)/FROM OPERATIONS	(1,307,910)	754,871	(393,285)	(685,245)
Interest paid	(376,022)	(459,927)	-	-
Tax refunded	193,221	137,928	24,453	18,968
NET CASH (FOR)/FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(1,490,711)	432,872	(368,832)	(666,277)

The annexed notes form an integral part of these financial statements.



CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2008 RM	2007 RM	2008 RM	2007 RM
BALANCE BROUGHT FORWARD		(1,490,711)	432,872	(368,832)	(666,277)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,201,453)	(76,457)	-	-
Proceeds from other investment		-	1,000,000	-	-
Proceeds from disposal of property, plant and equipment		5,000	52,000	-	-
Additional investment in subsidiaries		(3,199)	-	(3,199)	(19)
Net cash inflow/(outflow) on acquisition of subsidiaries	32	51,752	200	(63,253)	(800)
Repayment from/(Advances to) subsidiaries		-	-	1,480,068	(2,429,751)
Dividend received		-	-	376,894	371,801
Interest received		267,384	265,003	-	1,329
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(880,516)	1,240,746	1,790,510	(2,057,440)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	2,390,000	-	2,390,000
Proceeds from issuance of warrants		-	900,403	-	900,403
Payment of expenses incurred for issuance of ordinary shares and warrants		-	(502,568)	-	(502,568)
Purchase of treasury shares		(1,419,343)	(590,604)	(1,419,343)	(590,604)
Repayment of hire purchase obligations		(249,485)	(290,202)	-	-
Net drawdown of bills payable		693,729	1,180,693	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(975,099)	3,087,722	(1,419,343)	2,197,231
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,346,326)	4,761,340	2,335	(526,486)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		5,554	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		7,420,601	2,659,261	1,990	528,476
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33	4,079,829	7,420,601	4,325	1,990

The annexed notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act 1965. The Company is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : 10th Floor, Menara Hap Seng,
No.1 & 3, Jalan P.Ramlee,
50250 Kuala Lumpur.

Principal place of business : B5/5/5, 4th Floor, One Ampang Business Avenue,
Jalan Ampang Utama 1/2, 68000 Ampang,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 January 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. 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 foreign currency, interest rate, market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk on purchases that are denominated in foreign currencies. The Group's primary currency exposures are in Pound Sterling, United States (US) Dollar and Euro.

The foreign currency risk is monitored closely and managed to an acceptable level.

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to price risks.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risks relates to five customers which constituted 54% of its total trade receivables at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risks

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

During the current financial year, the Group and the Company have adopted the following:-

(a) FRSs issued and effective for financial periods beginning on or after 1 July 2007:-

FRS 107 Cash Flow Statements
FRS 111 Construction Contracts
FRS 112 Income Taxes
FRS 118 Revenue
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of these standards only impacts the form and content of disclosures presented in the financial statements.

FRS 120 is not relevant to the Group and the Company's operations.

(b) Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates *Net Investment in a Foreign Operation* has been issued and is effective for financial periods beginning on or after 1 July 2007.

This amendment results in exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation to be recognised in equity irrespective of the currency in which the monetary item is denominated and whether the monetary item results from a transaction with the Company or any of its subsidiaries. Previously, exchange differences arising from such transactions between the Company and its subsidiaries would be accounted for in the income statement or in equity depending on the currency of the monetary item. The adoption of this amendment does not have any material financial effects on the financial statements of the Group and of the Company.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

4. BASIS OF PREPARATION (CONT'D)

(c) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:-

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129/2004 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group and the Company's operations except for IC Interpretation 8 which does not have any material financial effects on the financial statements of the Group and of the Company upon its initial application.

The Group and the Company have not adopted FRS 139 - Financial Instruments: Recognition and Measurement, and the consequential amendments resulting from FRS 139 for which the effective date will be for financial periods beginning on or after 1 January 2010. FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon initial application of the standard as required by paragraph 30(b) of FRS 108 is not disclosed. The Group and the Company will apply this standard from the financial year ending 30 September 2011 onwards.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual value of its property, plant and equipment will be insignificant. As a result, the residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) *Impairment of Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Construction Contracts*

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

- *Contract Revenue*

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

- *Contract Costs*

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(v) *Allowance for Doubtful Debts of Receivables*

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables.

(vi) *Allowance for Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group or the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency

(i) *Functional and Presentation Currency*

The functional currency of the Group is measured using the currency of the primary economic environment in which the Group operates.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the parent's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) *Foreign Operations*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) income and expense for the income statement are translated at the average exchange rates for the year; and
- (iii) all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 30 September 2008.

A subsidiary is defined as a company in which the Company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

The gain or loss on the disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Goodwill On Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition. Negative goodwill represents the excess of the Group's share of the fair values of the identifiable net assets of subsidiaries at the date of acquisition over the fair value of the purchase consideration.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessments, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the balance sheet of the Company and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Other Investments

Other investments are held on a long-term basis and are stated at cost less allowance for permanent diminution in value, if any. On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(g) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Office units	2%
Office lot	2%
Shophouse	2%
Computers and printers	25%
Site office cabins	10%
Plant and machinery	10%
Furniture and fittings	10%
Office equipment	10%
Renovation	10%
Motor vehicles	20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date 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 are embodied in the items of the 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. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(i) Assets Under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 5(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are allocated to the income statement over the period of the respective hire purchase agreements.

(j) Prepaid Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the term of the leases in which range from 60 to 99 years.

(k) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 5(g) to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidental expenses incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale. Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Amounts Owning By/To Contract Customers

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

(n) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(o) Payables

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

(p) Interest-bearing Borrowings

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

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

(q) Income Taxes

Income taxes for the year comprise current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are 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 the tax rates that have been enacted or substantively enacted at the balance sheet date.

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 to 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 or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(r) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(u) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party, to the extent that it prevents the other party from pursuing its own separate interests in making financial and operating decisions.

(v) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

Contingent liability or asset is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow or inflow occurs so that the outflow or inflow is probable, it will then be recognised as a provision or as an asset.

(w) Revenue Recognition

(i) Contract Revenue

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on surveys of work performed.

(ii) Sale of Goods and Services

Sales are recognised upon delivery of goods and customers' acceptance or performance of services.

(iii) Rental Income

Rental income is recognised on an accrual basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue Recognition (Cont'd)

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(v) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(x) Segmental Information

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. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets and liabilities do not include income tax assets and liabilities respectively.

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2008 RM	2007 RM
Unquoted shares, at cost	5,078,679	5,012,227

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Equity Interest 2008	Equity Interest 2007	Principal Activities
Digistar Holdings Sdn. Bhd.	Malaysia	100%	100%	Design, supply, installation and integration of information technology infrastructure, teleconferencing, local area networks, interactive media management systems, radio and television news automation, telecommunication systems, integrated audio and visual systems and other related electronic systems.
Digistar Properties Sdn. Bhd.	Malaysia	100%	100%	Renting, maintaining and upkeep of properties.
Digistar Rauland MSC Sdn. Bhd.	Malaysia	80%	51%	Health television operator.
Rauland Asia Sdn. Bhd.	Malaysia	100%	70%	Dormant.
Nielsen Ward Sdn. Bhd.	Malaysia	80%	61%	Dormant.
Digistar Vision Sdn. Bhd. #	Malaysia	60%	60%	Health television operator.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Equity Interest 2008	Equity Interest 2007	Principal Activities
Digistar Engineering Sdn. Bhd. #	Malaysia	80%	60%	Dormant.
Digistar Media Sdn. Bhd. #	Malaysia	100%	70%	Dormant.
Aman Geliga Sdn. Bhd. #	Malaysia	100%	80%	Dormant.
Digilink International Pte. Ltd. #	The Republic of Singapore	55%	-	Dormant.

Not audited by Messrs. Horwath.

7. PROPERTY, PLANT AND EQUIPMENT

	AT 1.10.2007 RM	ADDITIONS RM	DISPOSAL RM	DEPRECIATION CHARGE RM	AT 30.9.2008 RM
THE GROUP					
NET BOOK VALUE					
Office lot, shop house and office units	4,186,122	-	-	(94,949)	4,091,173
Computers and printers	53,529	52,252	-	(35,181)	70,600
Site office cabins, plant and machinery, furniture and fittings	133,638	4,142	-	(26,389)	111,391
Office equipment and renovation	1,174,145	1,145,059	-	(245,888)	2,073,316
Motor vehicles	494,641	-	(31,453)	(313,372)	149,816
	6,042,075	1,201,453	(31,453)	(715,779)	6,496,296

	AT COST RM	ACCUMULATED DEPRECIATION RM	TOTAL RM
At 30.9.2008			
Office lot, shop house and office units	4,747,580	(656,407)	4,091,173
Computers and printers	397,390	(326,790)	70,600
Site office cabins, plant and machinery, furniture and fittings	330,683	(219,292)	111,391
Office equipment and renovation	3,123,539	(1,050,223)	2,073,316
Motor vehicles	2,554,417	(2,404,601)	149,816
	11,153,609	(4,657,313)	6,496,296



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	AT COST RM	ACCUMULATED DEPRECIATION RM	TOTAL RM
At 30.9.2007			
Office lot, shop house and office units	4,747,580	(561,458)	4,186,122
Computers and printers	345,138	(291,609)	53,529
Site office cabins, plant and machinery, furniture and fittings	326,541	(192,903)	133,638
Office equipment and renovation	1,978,480	(804,335)	1,174,145
Motor vehicles	2,721,589	(2,226,948)	494,641
	10,119,328	(4,077,253)	6,042,075

Certain motor vehicles with a total net book value of RM149,816 (2007 - RM445,831) were acquired under hire purchase terms.

The net book value of assets pledged as security for banking facilities granted to the Group are as follows:-

	THE GROUP	
	2008 RM	2007 RM
Office units	3,111,246	3,184,564
Office lot	58,803	60,480
Shophouse	786,843	803,674
	3,956,892	4,048,718

8. PREPAID LEASE PAYMENTS

	THE GROUP	
	2008 RM	2007 RM
At cost	628,636	628,636
Accumulated amortisation	(34,448)	(26,807)
	594,188	601,829
Accumulated amortisation:-		
At 1 October 2007/2006	(26,807)	(19,166)
Amortisation during the financial year	(7,641)	(7,641)
At 30 September 2008/2007	(34,448)	(26,807)

Included in prepaid lease payments is a piece of leasehold land with a carrying amount of RM379,521 (2007 - RM384,598) pledged as security for banking facilities granted to the Group.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

9. INVESTMENT PROPERTIES

	THE GROUP	
	2008 RM	2007 RM
At 1 October 2007/2006	366,163	-
Reclassified from properties held for sale (Note 10)	-	366,163
	<hr/>	<hr/>
At 30 September 2008/2007	366,163	366,163
	<hr/>	<hr/>
At carrying amounts:-		
Freehold condominium	321,163	321,163
Freehold shop house	45,000	45,000
	<hr/>	<hr/>
	366,163	366,163
	<hr/>	<hr/>

The carrying amounts of the properties approximated their fair values.

10. PROPERTIES HELD FOR SALE

	THE GROUP	
	2008 RM	2007 RM
At 1 October 2007/2006	-	366,163
Reclassified to investment properties (Note 9)	-	(366,163)
	<hr/>	<hr/>
At 30 September 2007/2006	-	-
	<hr/>	<hr/>

In the previous financial year, the Group had reclassified the properties held for sale to investment properties as the directors were of the opinion that the sale of the properties was not highly probable within the next financial year from the previous balance sheet date.

11. DEFERRED TAX ASSETS

	THE GROUP	
	2008 RM	2007 RM
At 1 October 2007/2006	-	-
Recognised in income statement (Note 30)	151,000	-
	<hr/>	<hr/>
At 30 September 2007/2006	151,000	-
	<hr/>	<hr/>

The components of the deferred tax assets and liabilities during the financial year prior to offsetting are as follows:-

	THE GROUP	
	2008 RM	2007 RM
Deferred tax assets:-		
Provision	153,000	-
Deferred tax liabilities:-		
Excess of capital allowances over depreciation	(2,000)	-
	<hr/>	<hr/>
Net deferred tax assets	151,000	-
	<hr/>	<hr/>



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

11. DEFERRED TAX ASSETS (CONT'D)

No deferred tax assets are recognised on the following items:-

	THE GROUP	
	2008 RM	2007 RM
Unutilised tax losses	515,765	515,765
Unabsorbed capital allowances	408,860	112,958
Excess of capital allowances over depreciation	(757,394)	(375,980)
	<u>167,231</u>	<u>252,743</u>

12. INVENTORIES HELD FOR RESALE

	THE GROUP	
	2008 RM	2007 RM
At cost:-		
Equipment and parts held for resale	<u>2,853,268</u>	<u>2,018,680</u>

None of the inventories are carried at net realisable value.

13. TRADE RECEIVABLES

	THE GROUP	
	2008 RM	2007 RM
Gross trade receivables	26,173,375	17,590,444
Allowance for doubtful debts:-		
At 1 October 2007/2006	(2,066,367)	(808,301)
Addition during the financial year	(2,229,591)	(1,260,066)
Write-back during the financial year	113,581	2,000
At 30 September 2008/2007	<u>(4,182,377)</u>	<u>(2,066,367)</u>
	<u>21,990,998</u>	<u>15,524,077</u>

The Group's normal credit terms for trade receivables range from 7 to 210 days. Other credit terms are assessed and approved on a case-by-case basis.

14. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	THE GROUP	
	2008 RM	2007 RM
Contract costs incurred to date	4,194,775	21,213,828
Attributable profits	<u>628,909</u>	<u>4,621,940</u>
	4,823,684	25,835,768
Progress billings	<u>(8,055,309)</u>	<u>(23,168,634)</u>
	<u>(3,231,625)</u>	<u>2,667,134</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

15. AMOUNT OWING BY SUBSIDIARIES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

16. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits amounting to RM5,601,043 (2007 - RM5,419,558) have been pledged to licensed banks as security for banking facilities granted to a subsidiary.

Fixed deposits at the balance sheet date bore a weighted average interest of 3.19% (2007 - 3.26%) per annum. The maturity periods of the fixed deposits at the balance sheet date ranged from 30 to 365 days (2007 - 30 to 365 days).

17. SHARE CAPITAL

	THE COMPANY			
	2008 NUMBER OF SHARES	2007	2008 RM	2007 RM
ORDINARY SHARES OF RM0.10 EACH:-				
AUTHORISED				
At 1 October 2007/2006	500,000,000	250,000,000	50,000,000	25,000,000
Increase during the financial year	-	250,000,000	-	25,000,000
At 30 September 2008/2007	500,000,000	500,000,000	50,000,000	50,000,000
ISSUED AND FULLY PAID-UP				
At 1 October 2007/2006	191,580,650	173,580,650	19,158,065	17,358,065
Allotment during the financial year	-	18,000,000	-	1,800,000
At 30 September 2008/2007	191,580,650	191,580,650	19,158,065	19,158,065

18. SHARE PREMIUM

	THE GROUP/THE COMPANY	
	2008 RM	2007 RM
At 1 October 2007/2006	1,630,187	1,145,416
Premium arising from shares issued during the financial year	-	590,000
Expenses incurred for shares issued under private placements	-	(105,229)
At 30 September 2008/2007	1,630,187	1,630,187

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

19. WARRANTS RESERVE

	THE GROUP/THE COMPANY	
	2008 RM	2007 RM
At 1 October 2007/2006	503,064	-
Warrants issued during the financial year	-	900,403
Expenses incurred for warrants issued	-	(397,339)
	<hr/>	<hr/>
At 30 September 2008/2007	503,064	503,064
	<hr/>	<hr/>

The Company has a total of 90,040,325 Warrants 2007/2017 in issue during the financial year. Each Warrant 2007/2017 entitles the holder to subscribe for one new ordinary share of RM0.10 each in the Company at the exercise price of RM0.16. The Warrants 2007/2017 are exercisable over a period of 10 years from 8 February 2007 to 7 February 2017. None of the Warrants 2007/2017 in issue was exercised during the financial year.

20. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares net of proceeds received from their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 28 February 2008, renewed their approval of the Company's plan to purchase its own shares under a share buy-back scheme.

During the financial year, the Company purchased the following shares under the share buy-back scheme from the open market :-

	NUMBER OF SHARES	AVERAGE UNIT PRICE RM	TOTAL CONSIDERATION RM
At 1 October 2007	3,843,100	0.1537	590,604
Purchases during the financial year:			
- October 2007	1,815,100	0.1796	325,942
- November 2007	1,040,600	0.1852	192,742
- January 2008	1,156,000	0.1406	162,536
- February 2008	3,578,200	0.1456	521,038
- March 2008	40,000	0.1212	4,846
- May 2008	169,000	0.1119	18,913
- June 2008	1,507,600	0.1031	155,410
- July 2008	377,000	0.1006	37,916
	<hr/>		<hr/>
	9,683,500	0.1466	1,419,343
	<hr/>		<hr/>
At 30 September 2008	13,526,600	0.1486	2,009,947
	<hr/>		<hr/>

The above purchases were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from the shareholders' equity.

Of the total 191,580,650 (2007 - 191,580,650) issued and fully paid ordinary shares as at 30 September 2008, the number of treasury shares held by the Company amounted to 13,526,600 (2007 - 3,843,100). The number of outstanding ordinary shares in issue after the set-off against the treasury shares as at 30 September 2008 amounted to 178,054,050 (2007 - 187,737,550).

None of the treasury shares were sold or cancelled during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

21. RETAINED PROFITS

Subject to the agreement of the tax authorities, at the balance sheet date, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 and tax-exempt income to frank the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

Effective from 1 January 2008, the Company is allowed an irrevocable option to elect for the single tier tax system or continue with the use of the tax credit balance for the purpose of dividend distribution. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system.

22. HIRE PURCHASE PAYABLES

	THE GROUP	
	2008 RM	2007 RM
Minimum hire purchase payments:		
- not later than one year	94,305	277,741
- later than one year and not later than five years	42,885	122,800
	<hr/>	<hr/>
	137,190	400,541
Future finance charges	(4,149)	(18,015)
	<hr/>	<hr/>
Present value of hire purchase payables	133,041	382,526
	<hr/>	<hr/>
Current:		
- not later than one year	90,982	249,486
Non-current:		
- later than one year and not later than five years	42,059	133,040
	<hr/>	<hr/>
	133,041	382,526
	<hr/>	<hr/>

The hire purchase payables at the balance sheet date bore effective interest at rates ranging from 4.54% to 6.18% (2007 - 4.54% to 6.18%) per annum.

23. DEFERRED TAXATION

	THE GROUP	
	2008 RM	2007 RM
At 1 October 2007/2006	42,000	42,000
Recognised in income statement (Note 30)	(42,000)	-
	<hr/>	<hr/>
At 30 September 2007/2006	-	42,000
	<hr/>	<hr/>

The deferred taxation is in respect of temporary differences arising from accelerated capital allowances on qualifying assets.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

24. TRADE PAYABLES

The Group's normal credit terms of trade payables range from 30 to 60 days.

The foreign currency exposure profile of the trade payables of the Group is as follows:-

	2008 RM	2007 RM
Pound Sterling	1,935,982	1,395,332
Euro	99,960	102,457
United States Dollar	57,546	89,694
Australian Dollar	-	13,207

25. SHORT-TERM BORROWINGS

	THE GROUP	
	2008 RM	2007 RM
Bankers' acceptances	3,978,000	3,221,000
Trust receipts	-	63,271
	3,978,000	3,284,271

The short-term borrowings bear effective interest rates ranging from 5.05% to 5.25% (2007 - 4.10% to 8.00%) per annum and are secured as follows:-

- (i) by legal charges over certain properties belonging to certain subsidiaries;
- (ii) by a pledge of fixed deposits belonging to one of the subsidiaries; and
- (iii) by a corporate guarantee of the Company.

26. BANK OVERDRAFTS

The bank overdrafts bear effective interest at the rate of 8.00% (2007 - 8.00%) per annum and are secured in the same manner as the short-term borrowings as disclosed in Note 25 to the financial statements.

27. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value attributable to shareholders of RM26,115,421 (2007 - RM26,935,087) divided by the number of ordinary shares in issue (excluding treasury shares) at the balance sheet date of 178,054,050 shares (2007 - 187,737,550 shares).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

28. REVENUE

Revenue of the Group and of the Company comprise the following:-

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Contract revenue	26,406,700	23,418,281	-	-
Maintenance income	4,201,661	2,121,968	-	-
Sale of goods	20,671,846	12,238,198	-	-
Rental income	723,395	481,579	-	-
Dividend income	-	-	509,316	509,316
	<u>52,003,602</u>	<u>38,260,026</u>	<u>509,316</u>	<u>509,316</u>

Contract revenue represents progress billings certified by the customers and/or customers' consultants. Maintenance income and sale of goods represent the invoiced value of services rendered and goods sold less discounts and returns. Revenue of the Company represents the gross dividend income from investments in subsidiaries.

29. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting) the following:-

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Allowance for doubtful debts	2,229,591	1,260,066	-	-
Amortisation of prepaid lease payments	7,641	7,641	-	-
Audit fee:				
- for the financial year	43,600	41,000	10,000	15,000
- (over)/underprovision in the previous financial year	(4,400)	5,000	(7,200)	3,200
Contract expenses	22,825,280	21,668,341	-	-
Depreciation of property, plant and equipment	715,779	710,756	-	-
Directors' fee	159,800	110,000	99,800	110,000
Directors' other emoluments	1,013,516	812,260	53,116	59,000
Goodwill written off	3,199	6,496	-	-
Interest expense:				
- bank overdrafts	226,698	199,477	-	-
- bankers' acceptances	85,382	199,288	-	-
- hire purchase	13,867	27,277	-	-
- letters of credit and trust receipts	50,075	33,885	-	-
Loss on disposal of property, plant and equipment	26,453	-	-	-
Property, plant and equipment written off	-	2,237	-	-
Rental of equipment	9,552	9,360	-	-
Rental of premises	42,840	62,531	-	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

29. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Staff costs	5,080,413	4,526,409	-	-
Write-back of allowance for doubtful debts	(113,581)	(2,000)	-	-
Gain on foreign exchange - realised	(5,584)	(58,872)	-	-
Gain on disposal of property, plant and equipment	-	(52,000)	-	-
Dividend income from a subsidiary	-	-	(509,316)	(509,316)
Interest income	(267,384)	(265,003)	-	(1,329)
Rental income	(124,400)	(129,200)	-	-
	<u>5,080,413</u>	<u>4,526,409</u>	<u>-</u>	<u>-</u>

30. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Current tax:				
- for the financial year	283,578	29,644	92,000	100,000
- overprovision in previous financial years	(12,217)	(225,128)	(12,732)	(29,534)
	<u>271,361</u>	<u>(195,484)</u>	<u>79,268</u>	<u>70,466</u>
Deferred tax assets (Note 11)				
- relating to origination and recognition of temporary differences	23,000	-	-	-
- underprovision in previous financial years	(174,000)	-	-	-
	<u>(151,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities (Note 23)				
- overprovision in previous financial years	(42,000)	-	-	-
	<u>78,361</u>	<u>(195,484)</u>	<u>79,268</u>	<u>70,466</u>

During the current financial year, the statutory tax rate was reduced from 27% to 26%, as announced in the Malaysian Budget 2007.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

30. INCOME TAX EXPENSE (CONT'D)

The reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit/(Loss) before taxation	674,182	(2,170,664)	241,428	183,029
Tax at the statutory tax rate of 26% (2007 - 27%)	175,287	(586,079)	62,771	49,418
Tax effects of:-				
Differential in tax rates	(51,800)	(25,600)	29,229	-
Non-deductible expenses	205,324	532,147		50,582
Deferred tax assets not recognised during the financial year	-	169,176	-	-
Utilisation of previously unrecognised deferred tax assets	(22,233)	(60,000)	-	-
Overprovision of current tax in previous financial years	(12,217)	-	-	-
Underprovision of deferred tax assets in previous financial years	(174,000)	(225,128)	(12,732)	(29,534)
Overprovision of deferred taxation in previous financial years	(42,000)	-	-	-
Income tax for the financial year	78,361	(195,484)	79,268	70,466

31. EARNINGS/(LOSS) PER ORDINARY SHARE

The basic earnings/(loss) per ordinary share is arrived at by dividing the profit/(loss) attributable to the shareholders of RM596,622 (2007 - RM1,975,180) by the weighted average number of ordinary shares in issue at the balance sheet date of 181,418,328 (2007 - 181,263,462).

The fully diluted earnings/(loss) per share for the Group for the current financial year is not presented as the warrants and the share options under the ESOS would be anti-dilutive as the exercise prices are higher than the fair value of the Company's shares.

32. SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group acquired an 80% equity interest in Aman Geliga Sdn. Bhd..

During the financial year, the Company acquired a 55% equity interest in Digilink International Pte. Ltd..

The effects of the acquisition of these subsidiaries on the financial results of the Group for the financial year are as follows:-

	2008 RM	2007 RM
Revenue	-	-
Loss for the financial year	(1,780)	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

32. SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARIES (CONT'D)

If the acquisitions had occurred at the beginning of the financial year, the Group's revenue and loss for the financial year would have been as follows:-

	2008 RM	2007 RM
Revenue	-	-
Loss for the financial year	(1,780)	(1,731)

The details of net assets acquired and cash flow arising from the acquisition of the subsidiaries are as follows:-

	THE GROUP	
	2008 RM	2007 RM
Cash and bank balances	115,005	1,000
Other receivables, deposits and prepayments	-	-
Other payables and accruals	-	(6,696)
Minority interests	(51,752)	-
Fair value of net assets/ (liabilities) acquired	63,253	(5,696)
Goodwill on acquisition	-	6,496
Total purchase consideration	63,253	800
Less: Cash and bank balances on acquisition of subsidiaries	(115,005)	(1,000)
Net cash inflow on acquisition of subsidiaries	(51,752)	(200)

33. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Fixed deposits with licensed banks (Note 16)	7,921,181	8,836,343	-	-
Cash and bank balances	130,238	1,817,885	4,325	1,990
Bank overdrafts (Note 26)	(3,971,590)	(3,233,627)	-	-
	4,079,829	7,420,601	4,325	1,990



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

34. DIRECTORS' REMUNERATION

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Executive directors' remuneration:				
- Salaries, other emoluments and defined contribution plan	926,900	751,260	-	-
- Fees	80,000	80,000	20,000	80,000
- Bonus	33,500	2,000	-	-
	<u>1,040,400</u>	<u>833,260</u>	<u>20,000</u>	<u>80,000</u>
Non-executive directors' remuneration:				
- Salaries, other emoluments and defined contribution plan	53,116	48,000	53,116	48,000
- Fees	79,800	30,000	79,800	30,000
- Bonus	-	11,000	-	11,000
	<u>132,916</u>	<u>89,000</u>	<u>132,916</u>	<u>89,000</u>
Total directors' remuneration	<u>1,173,316</u>	<u>922,260</u>	<u>152,916</u>	<u>169,000</u>
Directors' fee	159,800	110,000	99,800	110,000
Directors' non-fee emoluments	1,013,516	812,260	53,116	59,000
	<u>1,173,316</u>	<u>922,260</u>	<u>152,916</u>	<u>169,000</u>

The aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial year in bands of RM50,000 are as follows:-

	Number of directors	Directors' fee RM	Number of directors	Directors' other emoluments RM
THE GROUP				
2008				
- Below RM50,000	8	159,800	3	53,116
- RM100,001 to RM150,000	-	-	1	107,520
- RM150,001 to RM200,000	-	-	1	152,880
- RM250,001 to RM300,000	-	-	1	280,000
- RM400,001 to RM450,000	-	-	1	420,000
	<u>8</u>	<u>159,800</u>	<u>7</u>	<u>1,013,516</u>
2007				
- Below RM50,000	7	110,000	3	59,000
- RM50,001 to RM100,000	-	-	1	56,000
- RM100,001 to RM150,000	-	-	1	148,460
- RM200,001 to RM250,000	-	-	1	219,520
- RM300,001 to RM350,000	-	-	1	329,280
	<u>7</u>	<u>110,000</u>	<u>7</u>	<u>812,260</u>
THE COMPANY				
2008				
- Below RM50,000	5	99,800	3	53,116
	<u>5</u>	<u>99,800</u>	<u>3</u>	<u>53,116</u>
2007				
- Below RM50,000	7	110,000	3	59,000
	<u>7</u>	<u>110,000</u>	<u>3</u>	<u>59,000</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

35. RELATED PARTY DISCLOSURES

- (a) For the purpose of the financial statements, the Group and the Company have related party relationships with :-
- (i) its subsidiaries as disclosed in Note 6 to the financial statements; and
 - (ii) the directors who are the key management personnel.
- (b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
(i) Subsidiaries				
Dividend income receivable	-	-	509,316	509,316
(ii) Directors				
Proceeds from disposal of property, plant and equipment	5,000	-	-	-
Directors' fee	159,800	110,000	99,800	110,000
(iii) Key management personnel				
Short-term employee benefits	1,013,516	812,260	53,116	59,000

36. SEGMENTAL INFORMATION

2008 THE GROUP	SYSTEMS INTEGRATION RM	TRADING RM	MAINTENANCE INCOME RM	INVESTMENT HOLDING RM	RENTAL RM	ELIMINATION RM	GROUP RM
REVENUE							
External revenue	26,406,700	20,671,846	4,201,661	-	723,395	-	52,003,602
Intersegment revenue	-	-	-	509,316	422,400	(931,716)	-
Total revenue	26,406,700	20,671,846	4,201,661	509,316	1,145,795	(931,716)	52,003,602
RESULTS							
Segment results (external)	(4,606,717)	3,100,777	2,730,925	185,623	225,495	(511,316)	1,124,787
Finance costs	(404,633)	(45,715)	-	(117)	(140)	-	(450,605)
Profit from ordinary activities before taxation							674,182
Taxation							(78,361)
Profit from ordinary activities after taxation							595,821
Minority interests							801
Profit attributable to shareholders of the Company							596,622



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

36. SEGMENTAL INFORMATION (CONTD)

	SYSTEMS INTEGRATION RM	TRADING RM	MAINTENANCE INCOME RM	INVESTMENT HOLDING RM	RENTAL RM	TOTAL RM
OTHER INFORMATION						
Segment assets	30,620,920	1,281,528	2,422,488	127,546	6,859,998	41,312,480
Unallocated assets						151,000
						41,463,480
Segment liabilities	14,784,572	-	90,335	140,732	85,432	15,101,071
Unallocated liabilities						193,538
						15,294,609
Capital expenditure	56,394	-	-	-	1,145,059	1,201,453
Amortisation of prepaid lease payments	-	-	-	-	7,641	7,641
Depreciation	440,864	-	-	-	274,915	715,779

2007 THE GROUP	SYSTEMS INTEGRATION RM	TRADING RM	MAINTENANCE INCOME RM	INVESTMENT HOLDING RM	RENTAL RM	ELIMINATION RM	GROUP RM
REVENUE							
External revenue	23,418,281	12,238,198	2,121,968	-	481,579	-	38,260,026
Intersegment revenue	-	-	-	509,316	404,400	(913,716)	-
Total revenue	23,418,281	12,238,198	2,121,968	509,316	885,979	(913,716)	38,260,026
RESULTS							
Segment results (external)	(4,799,024)	1,958,112	1,114,261	169,019	455,378	(529,316)	(1,631,570)
Finance costs	(490,087)	(48,642)	-	(230)	(135)	-	(539,094)
Loss from ordinary activities before taxation							(2,170,664)
Taxation							195,484
Loss from ordinary activities after taxation							(1,975,180)
Minority interests							-
Loss attributable to shareholders of the Company							(1,975,180)

	SYSTEMS INTEGRATION RM	TRADING RM	MAINTENANCE INCOME RM	INVESTMENT HOLDING RM	RENTAL RM	TOTAL RM
OTHER INFORMATION						
Segment assets	30,038,737	1,867,263	542,170	4,399	5,881,083	38,333,652
Unallocated assets						271,044
						38,604,696
Segment liabilities	11,300,894	-	-	272,243	54,472	11,627,609
Unallocated liabilities						42,000
						11,669,609
Capital expenditure	76,457	-	-	-	-	76,457
Amortisation of prepaid lease payments	-	-	-	-	7,641	7,641
Depreciation	512,844	-	-	-	197,912	710,756



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

37. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	2008 RM	2007 RM
Pound Sterling	6.23	6.92
Euro	4.96	4.84
United States Dollar	3.46	3.42
Australian Dollar	-	3.01

38. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Unsecured:				
- Guarantees given to financial institutions in respect of facilities extended to a subsidiary	-	-	28,022,418	29,109,154
- Liquidated and ascertained damages in respect of purported delay in completion of contracted work	-	*	-	-
	-	-	28,022,418	29,109,154

* A legal suit was initiated by a subsidiary against a third party, claiming the sum of approximately RM1.4 million for the outstanding amount owing for more than two years. The third party counter-claimed a sum of approximately RM7.5 million for liquidated and ascertained damages in respect of the purported delay in the completion of contracted works.

The third party withdrew the counter-claim against the subsidiary on 21 November 2007 and agreed to settle the final sum of RM1,305,144 to the subsidiary in six instalments commencing October 2007. The third party had settled their instalments in accordance with the repayment schedule.

39. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount for which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Bank Balances and Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

(b) Hire Purchase Payables

The carrying amount approximated the fair value of the instrument. The fair value of the hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar types of instruments.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

39. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

(c) Contingent Liabilities

Corporate Guarantees

The nominal amount and net fair value of the financial instruments not recognised in the balance sheets of the Group and of the Company are as follows:-

		THE GROUP		THE COMPANY	
	NOTE	NOMINAL AMOUNT RM	NET FAIR VALUE RM	NOMINAL AMOUNT RM	NET FAIR VALUE RM
At 30.9.2008					
Contingent liabilities	38	-	-	28,022,418	*
At 30.9.2007					
Contingent liabilities	38	-	-	29,109,154	*

* - The net fair value of the contingent liabilities is estimated to be minimal as the subsidiary is expected to fulfill its obligations to repay the borrowings.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

- (i) on 2 October 2007, the Company subscribed for 27,500 ordinary shares of SGD1 each representing 55% of the equity interest of Digilink International Pte. Ltd. for a cash consideration of SGD27,500;
- (ii) on 19 December 2007 and 23 July 2008, the Company acquired in aggregate an additional 19 ordinary shares of RM1 each representing 19% of the issued and paid-up share capital of Nielsen Ward Sdn. Bhd. for a cash consideration of RM19. The total number of shares held by the Company after the acquisition is 80 ordinary shares of RM1 each representing 80% of the issued and paid-up capital of Nielsen Ward Sdn. Bhd.;
- (iii) on 7 March 2008, the Company acquired an additional 2,900 ordinary shares of RM1 each representing 29% of the issued and paid-up share capital of Digistar Rauland MSC Sdn. Bhd. for a cash consideration of RM2,900. The total number of shares held by the Company after the acquisition is 8,000 ordinary shares of RM1 each representing 80% of the issued and paid-up capital of Digistar Rauland MSC Sdn. Bhd.;
- (iv) on 23 July 2008, the Company acquired an additional 30 ordinary shares of RM1 each representing 30% of the issued and paid-up share capital of Rauland Asia Sdn. Bhd. for a cash consideration of RM30. The total number of shares held by the Company after the acquisition is 100 ordinary shares of RM1 each representing 100% of the issued and paid-up capital of Rauland Asia Sdn. Bhd.;
- (v) on 23 July 2008, the Company acquired an additional 20 ordinary shares of RM1 each representing 20% of the issued and paid-up share capital of Digistar Engineering Sdn. Bhd. for a cash consideration of RM20. The total number of shares held by the Company after the acquisition is 80 ordinary shares of RM1 each representing 80% of the issued and paid-up capital of Digistar Engineering Sdn. Bhd.;
- (vi) on 23 July 2008, the Company acquired an additional 30 ordinary shares of RM1 each representing 30% of the issued and paid-up share capital of Digistar Media Sdn. Bhd. for a cash consideration of RM30. The total number of shares held by the Company after the acquisition is 100 ordinary shares of RM1 each representing 100% of the issued and paid-up capital of Digistar Media Sdn. Bhd.;



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008 (CONT'D)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (vii) on 23 July 2008, the Company acquired an additional 200 ordinary shares of RM1 each representing 20% of the issued and paid-up share capital of Aman Geliga Sdn. Bhd. for a cash consideration of RM200. The total number of shares held by the Company after the acquisition is 1,000 ordinary shares of RM1 each representing 100% of the issued and paid-up capital of Aman Geliga Sdn. Bhd.; and
- (viii) the Company purchased 9,683,500 of its own issued ordinary shares from the open market at an average price of RM0.15 per share under the share buy-back scheme. The total consideration paid for the purchase including transaction costs was RM1,419,343 as disclosed in Note 20 to the financial statements.

41. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

On 13 January 2009, the Company acquired the remaining 20 ordinary shares of RM1 each representing 20% of the issued and paid-up share capital of Nielsen Ward Sdn. Bhd. for a cash consideration of RM20. The total number of shares held by the Company after the acquisition is 100 ordinary shares of RM1 each representing 100% of the issued and paid-up capital of Nielsen Ward Sdn. Bhd.



ANALYSIS OF ORDINARY SHAREHOLDINGS AND WARRANTS AS AT 31 DECEMBER 2008

ANALYSIS OF ORDINARY SHAREHOLDINGS

Class of Shares : Ordinary Shares of RM0.10 each
Voting Rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	Total Shareholdings	%#
Less than 100 shares	4	138	0.00
100 to 1,000 shares	68	40,500	0.02
1,001 to 10,000 shares	1,221	7,723,800	4.34
10,001 to 100,000 shares	1,100	40,627,100	22.83
100,001 to less than 5% of issued shares	183	86,463,618	48.57
5% and above of issued shares	1	43,158,794	24.24
	2,577	178,013,950	100.00

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%#
1	Kenangan Lampiran Sdn Bhd	43,158,794	24.24
2	Datuk Lee Wah Chong	7,430,102	4.17
3	Nik Ahmad Tadjuddin Bin Nik Mustapha	6,697,200	3.76
4	Datin Wa Siew Yam	4,413,230	2.48
5	Lee Kok Choong	3,971,000	2.23
6	Gan Wee Peng	2,964,100	1.67
7	Ong Fee Chong	2,400,110	1.35
8	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ding Lian Cheon)	2,000,000	1.12
9	Teo Seow Wah	1,754,900	0.99
10	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kwee Sow Fun)	1,420,800	0.80
11	Ooi Hock Hin	1,323,600	0.74
12	Cia Ching Eiu	1,310,000	0.74
13	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	1,200,000	0.67
14	Chen Swee Ning	1,183,500	0.66
15	Lim Han Kong	1,100,000	0.62



ANALYSIS OF ORDINARY SHAREHOLDINGS AND WARRANTS AS AT 31 DECEMBER 2008 (CONT'D)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR ORDINARY SHARES (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%#
16	Goh Suat Guat	1,050,000	0.59
17	HDM Nominees (Tempatan) Sdn Bhd (UOB Kay Hian Pte Ltd for Teh Kee Hong)	1,000,000	0.56
18	Sam Sau Yan	1,000,000	0.56
19	Thean Chin Guan	1,000,000	0.56
20	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Swee Eng)	940,000	0.53
21	Yong Meng Kuen	920,000	0.52
22	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Loh Teck Wah)	878,800	0.49
23	Goh Gim Lay	863,000	0.48
24	Low Koon Cheng	770,400	0.43
25	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Der Chin Tong)	755,000	0.42
26	Loh Chia Shing	680,000	0.38
27	Lum Chee Khin	669,100	0.38
28	Loh Chun Lin	600,000	0.34
29	Kok Peck Guan	551,100	0.31
30	Ong Teck Wan	545,000	0.31
Total		94,549,736	53.10

SUBSTANTIAL SHAREHOLDERS (Direct & Indirect) (as per Register of Substantial Shareholders)

No. of ordinary shares of RM0.10 each beneficially held by the Substantial Shareholders

No.	Shareholder	Direct Interest	%#	Indirect Interest	%#
1	Kenangan Lampiran Sdn Bhd	43,158,794	24.24	-	-
2	Datuk Lee Wah Chong	7,430,102	4.17	43,158,794*	24.24
3	Ong Fee Chong	2,400,110	1.35	43,158,794*	24.24



ANALYSIS OF ORDINARY SHAREHOLDINGS AND WARRANTS AS AT 31 DECEMBER 2008 (CONT'D)

DIRECTORS' SHAREHOLDING (Direct & Indirect) (as per Register of Directors' Shareholdings)

No. of ordinary shares of RM0.10 each beneficially held by the Directors

Name Of Directors	Direct Interest	%#	Indirect Interest	%#
Datuk Lee Wah Chong	7,430,102	4.17	43,158,794*	24.24
Ong Fee Chong	2,400,110	1.35	43,158,794*	24.24
Datin Wa Siew Yam	4,413,230	2.48	-	-
Lye Siang Long	-	-	-	-
YB Datuk Md. Sirat Bin Abu	-	-	-	-
Ir. Loh Khoo Hong	-	-	-	-
YB Datuk Ab Wahab Bin Ab Latip	-	-	-	-

* By virtue of their interests in Kenangan Lampiran Sdn Bhd (KLSB), Datuk Lee Wah Chong and Ong Fee Chong are deemed interested in the shares of the Company to the extent that KLSB has an interest.

Based on the issued and paid-up capital of the Company of RM 19,158,650 comprising 191,580,650 ordinary shares less 13,566,700 treasury shares retained by the Company as per Record of Depositors.

ANALYSIS OF WARRANT 2007/2017 HOLDINGS

No. of Warrants Issued	: 90,040,325
No. of Warrants Exercised	: NIL
No. of Warrants Unexercised	: 90,040,325
Exercise Period	: 8 February 2007 to 7 February 2017
Voting Rights at the Meeting of Warrant Holders	: Every Warrant Holder of the Company present in person shall be entitled by a show of hand to one (1) vote and every Warrant Holder present in person or by proxy shall be entitled on a poll to one (1) vote for each Warrant held.

DISTRIBUTION SCHEDULE OF WARRANT HOLDERS

Size of Holdings	No. of Holders	Total Holdings	%
Less than 100 warrants	2	120	0.00
100 to 1,000 warrants	43	36,850	0.04
1,001 to 10,000 warrants	523	2,879,700	3.20
10,001 to 100,000 warrants	558	22,525,600	25.02
100,001 to less than 5% of issued warrants	113	42,998,055	47.75
5% and above of issued warrants	1	21,600,000	23.99
	1,240	90,040,325	100.00



ANALYSIS OF ORDINARY SHAREHOLDINGS AND WARRANTS AS AT 31 DECEMBER 2008 (CONT'D)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANTS

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrants Held	%
1	Kenangan Lampiran Sdn Bhd	21,600,000	23.99
2	Datuk Lee Wah Chong	3,540,000	3.93
3	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Francis Kong @ Kong Fen Shin)	1,758,500	1.95
4	Tan Eng Huat	1,500,000	1.67
5	Trade Pioneer Limited	1,476,300	1.64
6	Datin Wa Siew Yam	1,210,000	1.34
7	Ong Fee Chong	1,200,055	1.33
8	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Wong Chiew Kong)	1,100,000	1.22
9	Quek Jin Ang	1,090,000	1.21
10	Cheah Yuet Ching	1,021,000	1.13
11	Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chia Boon Seng)	926,700	1.03
12	Lim Seng Nip	800,000	0.89
13	Liow Lee Eng	760,000	0.84
14	Moorthy A/L Manickam	633,600	0.70
15	Chong Kok Cha	613,000	0.68
16	Ton Suk Kiew @ Tong Suk Kiew	603,000	0.67
17	Amirudin Bin Awang Chik	600,000	0.67
18	HSBC Nominees (Tempatan) Sdn Bhd (HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak)	600,000	0.67
19	Chiew Hwa Chong	591,100	0.66
20	Wong Teck Wu	590,000	0.66
21	JF Apex Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Voon Sze Lin)	574,300	0.64
22	Heng Chin Tuck	528,400	0.59



ANALYSIS OF ORDINARY SHAREHOLDINGS AND WARRANTS AS AT 31 DECEMBER 2008 (CONT'D)

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANTS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrants Held	%
23	Choo Swee Shyang	500,000	0.56
24	HDM Nominees (Tempatan) Sdn Bhd (UOB Kay Hian Pte Ltd for Teh Kee Hong)	500,000	0.56
25	Thong Kam Weng	492,000	0.55
26	Gan Wee Peng	484,900	0.54
27	Lau Yoke Lan	475,400	0.53
28	Heng Nee Nee @ Heng Ah Ni	454,000	0.50
29	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lau Ngie Tiong)	450,000	0.50
30	Hoo Choon Soon	434,800	0.48
	Total	47,107,055	52.33

DIRECTORS' WARRANT HOLDINGS (Direct & Indirect) (as per Register of Directors' Warrant Holdings)

Name of Directors	Direct Interests	%	Indirect Interests	%
Datuk Lee Wah Chong	3,540,000	3.93	21,600,000*	23.99
Ong Fee Chong	1,200,055	1.33	21,600,000*	23.99
Datin Wa Siew Yam	1,210,000	1.34	-	-
Lye Siang Long	-	-	-	-
YB Datuk Md. Sirat Bin Abu	-	-	-	-
Ir. Loh Khoo Hong	-	-	-	-
YB Datuk Ab Wahab Bin Ab Latip	-	-	-	-

* By virtue of their interests in Kenangan Lampiran Sdn Bhd (KLSB), Datuk Lee Wah Chong and Ong Fee Chong are deemed interested in the warrants of the Company to the extent that KLSB has an interest.

LIST OF PROPERTIES AT 30 SEPTEMBER 2008

Location	Description/ Existing Use	Build-up Area/ Land Area* (sq.ft.)	Tenure	Approximate Age of Buildings	Net Book Value/ Net Realisable Value# (RM)	Year of Acquisition
Lot 4.119, 4th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur.	An intermediate office lot in a 9-storey shopping-cum-office block/ Office unit	366	Freehold	30 years	58,802	1994
B5/5/5, 4th Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	417,744	1997
B5/2/2, 1st Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	473,253	1997
B5/4/4, 3rd Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	338,048	1998
B6/5/5, 4th Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	352,697	2001
B6/3/3, 2nd Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	320,067	2001
B5/3/3, 2nd Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	334,420	2002
B6/4/4, 3rd Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	358,568	2002



LIST OF PROPERTIES AT 30 SEPTEMBER 2008 (CONT'D)

Location	Description/ Existing Use	Build-up Area/ Land Area* (sq.ft.)	Tenure	Approximate Age of Buildings	Net Book Value/ Net Realisable Value# (RM)	Year of Acquisition
B6/2/2, 1st Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor.	An intermediate office lot in a 5-storey shop/ Office unit	1864	Leasehold for 99 years expiring on 23/05/2089	13 years	516,450	2003
No. 3, Jalan TU-3, Taman Tasik Utama, Ayer Keroh, 75450 Melaka.	Double-storey shophouse	1539	Leasehold for 99 years expiring on 29/03/2097	8 years	165,647	2002
Lot 165, Mukim Kuala Kuantan, Pahang.	Land (vacant bungalow lot)	15289*	Leasehold for 99 years expiring on 10/09/2092	N/A	183,301	2002
C19, Jalan Ampang Utama 1/1, Taman Ampang Utama, 68000 Ampang, Selangor.	A corner office lot in a 4-storey shop/ Shop-office	Build-up area: 8,124 Land area: 1,920	Leasehold for 99 years expiring on 07/05/2083	15 years	1,166,364	2005
No. 28-1A, Jalan Sungai Chandong 9, Bandar Armada Putra, Pulau Indah, 42100 Pelabuhan Klang, Selangor	An intermediate office lot in a 4-storey shop/ Office unit	644	Leasehold for 99 years expiring on 11/03/2095	6 years	45,000*	2005
Lot 10-01, Astaka Heights, Taman Pandan Perdana, 56100 Cheras, Kuala Lumpur.	Penthouse	2091	Freehold	2 year	321,163	2005



DIGISTAR CORPORATION BERHAD

(603652-K)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No. ⁽ⁱ⁾
No. of Shares held

*I/We NRIC No./Company No.
(FULL NAME IN BLOCK CAPITALS)

of
(FULL ADDRESS)

being a member/members of DIGISTAR CORPORATION BERHAD (603652-K), hereby appoint

....., NRIC No.
(FULL NAME IN BLOCK CAPITALS)

of
(FULL ADDRESS)

or failing *him/her,
(FULL NAME IN BLOCK CAPITALS)

NRIC No. of
(FULL ADDRESS)

or failing *him/her, *the Chairman of the Meeting as *my/our proxy to attend and vote on *my/our behalf at the Sixth Annual General Meeting of the Company to be held at Embassy 1, Level 6, Holiday Villa Apartment Suites Kuala Lumpur, No. 225 Jalan Ampang, 50450 Kuala Lumpur on Thursday, 12 March 2009 at 10.00 a.m. and at any adjournment thereof.

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		

(Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.)

(i) Applicable to shares held through a nominee account.

* Delete where applicable

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Signed this day of 2009

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

.....
Signature/Common Seal of Member

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company. If the proxy is not a member, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or if such appointor is a corporation under its common seal or the hands of its attorney.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding of the Meeting or any adjournment thereof.

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp



THE SECRETARY
DIGISTAR CORPORATION BERHAD (603652-K)
10th Floor, Menara Hap Seng,
No. 1 & 3 Jalan P. Ramlee,
50250 Kuala Lumpur

FOLD HERE