DIGISTAR
CORPORATION BERHAD
(COMPANY NO.: 603652-K)

ANNUAL REPORT 2014

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Mohd Zaman Khan
@ Hassan B Rahim Khan
Independent Non-Executive Chairman

Mejar (K) Datuk Wira Lee Wah Chong
Managing Director

Dato' Haji Ishak Bin Haji Mohamed
Senior Independent Non-Executive Director

See Tai Soon
Independent Non-Executive Director

Lee Mely
Executive Director

Lee Jin Jean
Executive Director

AUDIT COMMITTEE

Chairman
Tan Sri Datuk Mohd Zaman Khan
@ Hassan B Rahim Khan
Independent Non-Executive Chairman

Members
Dato' Haji Ishak Bin Haji Mohamed
Senior Independent Non-Executive Director

See Tai Soon
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Tan Sri Datuk Mohd Zaman Khan
@ Hassan B Rahim Khan
Independent Non-Executive Chairman

Members
Dato' Haji Ishak Bin Haji Mohamed
Senior Independent Non-Executive Director

See Tai Soon
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman
Tan Sri Datuk Mohd Zaman Khan
@ Hassan B Rahim Khan
Independent Non-Executive Chairman

Members
Mejar (K) Datuk Wira Lee Wah Chong
Managing Director

Dato' Haji Ishak Bin Haji Mohamed
Senior Independent Non-Executive Director

See Tai Soon
Independent Non-Executive Director

COMPANY SECRETARIES

Tan Bee Hwee (MAICSA 7021024)
Wong Wai Foong (MAICSA 7001358)

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 8888 Fax: 03-2282 2733

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

AUDITOR'S

Crowe Horwath
Chartered Accountants
Level 16, Tower C
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2788 9999 Fax: 03-2788 9998

SHARE REGISTRAR

Tricor Investor 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

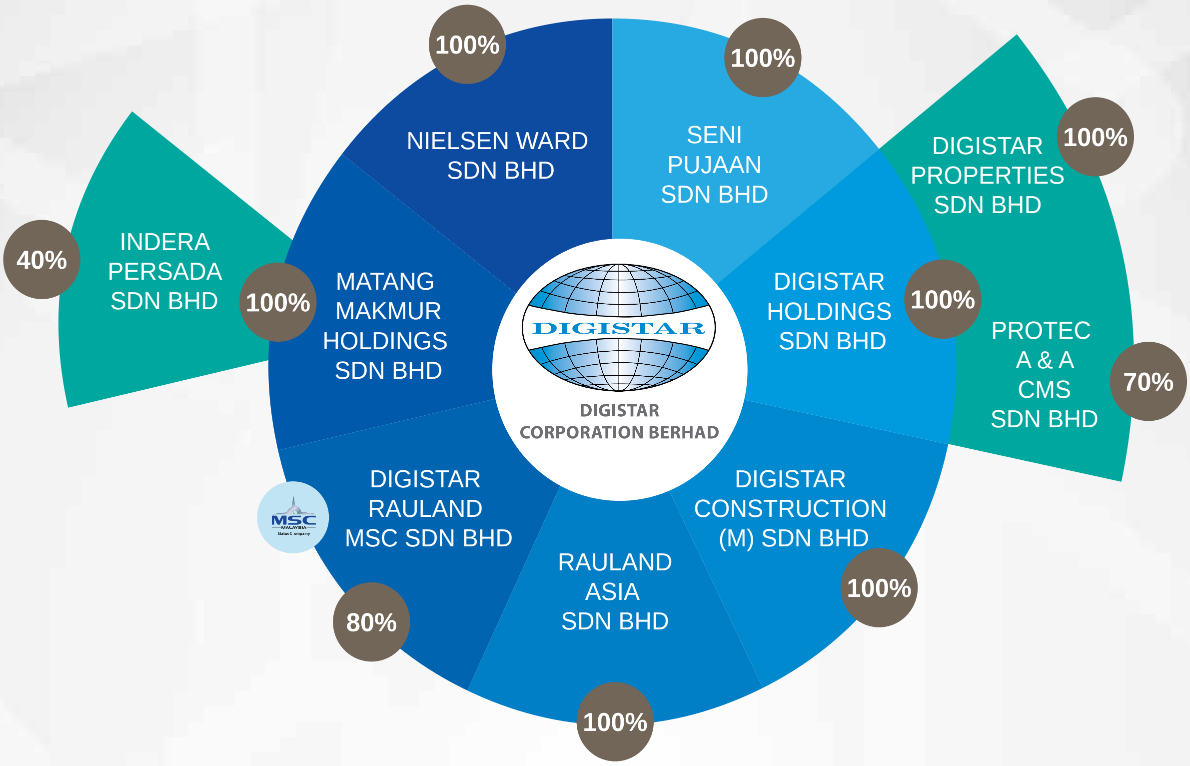
PRINCIPAL BANKERS

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

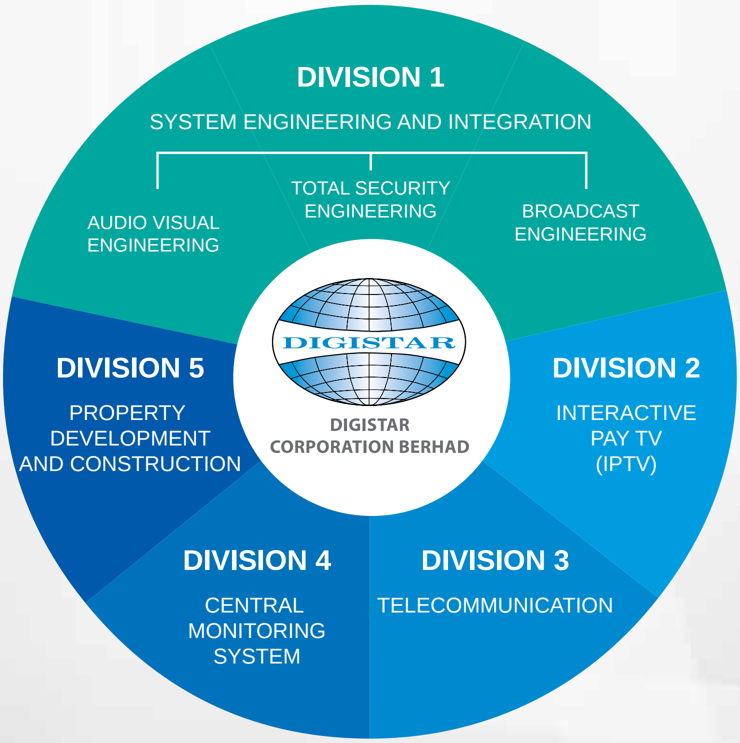
STOCK EXCHANGE LISTING

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

GROUP STRUCTURE
AS AT SEPTEMBER 2014



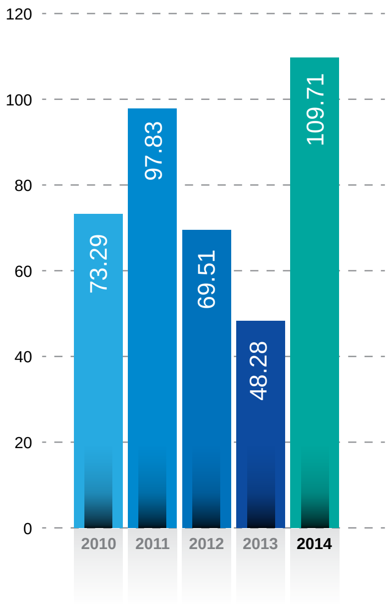
CORPORATE DIVISION



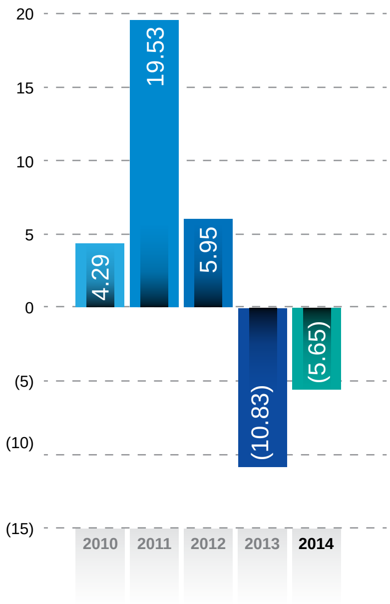
GROUP FINANCIAL HIGHLIGHTS

GROUP 5 YEARS FINANCIAL PERFORMANCE

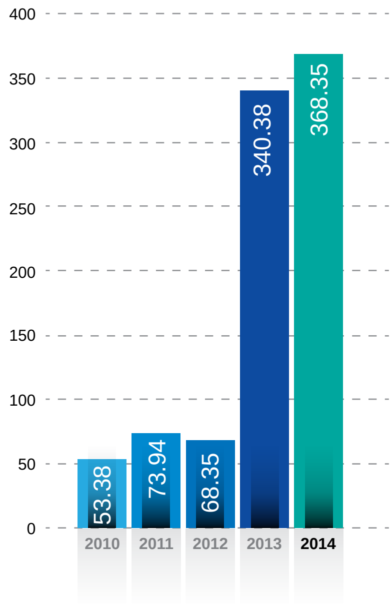
Revenue
(RM'Million)



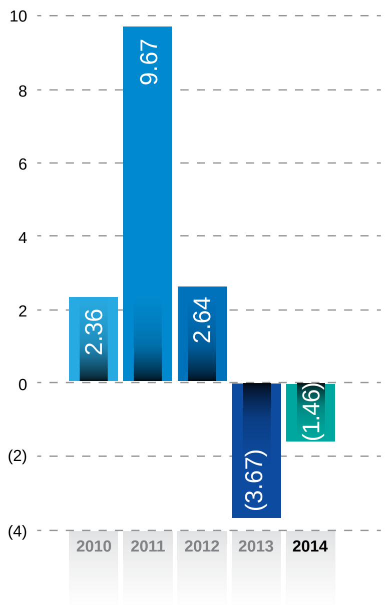
Profit attributable to Shareholders
(RM'Million)



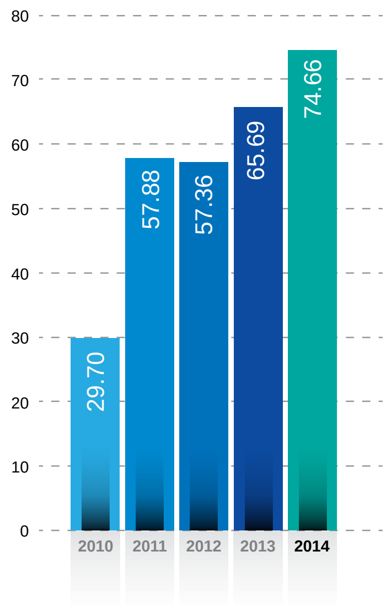
Total assets
(RM'Million)



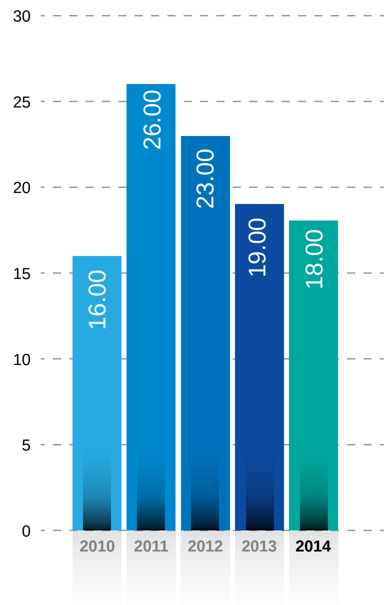
Earning per share
(Sen)



Shareholders' Equity
(RM'Million)



Net assets per share
(Sen)

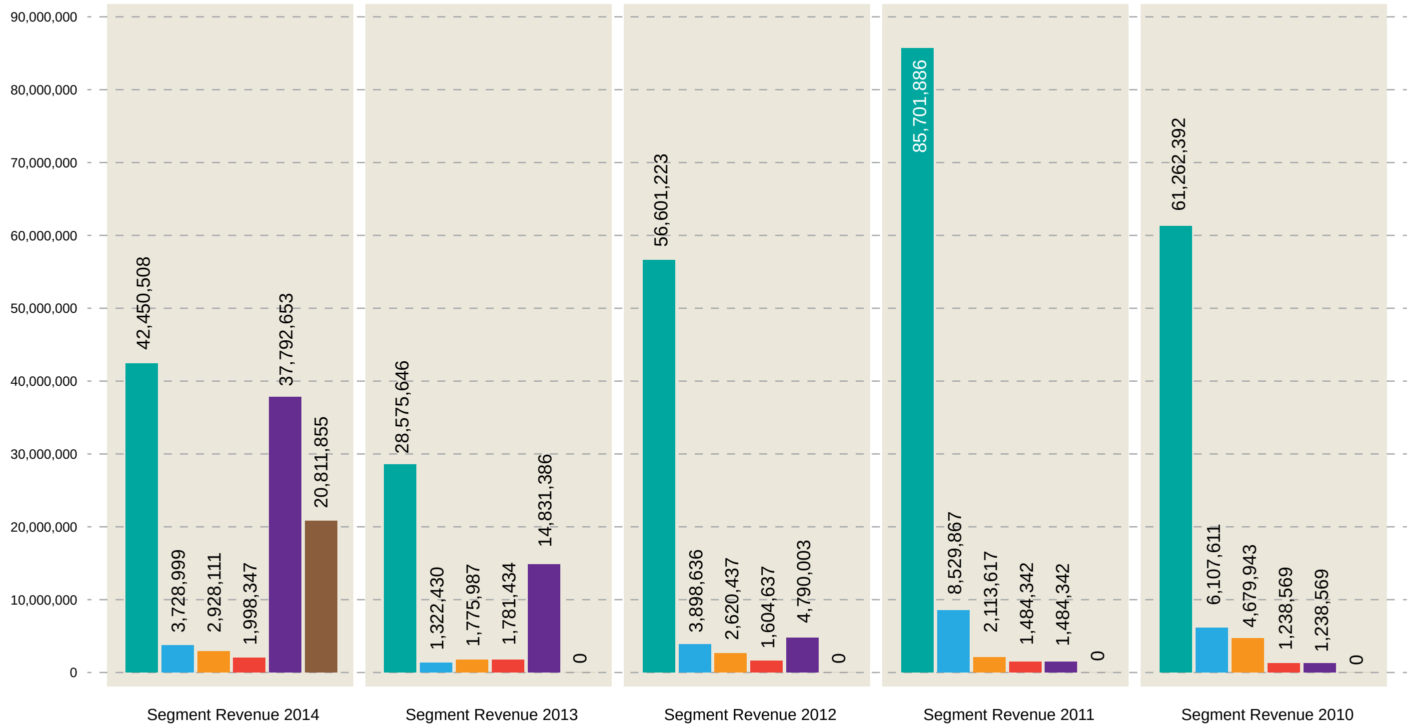


GROUP FINANCIAL HIGHLIGHTS

GROUP 5 YEARS FINANCIAL PERFORMANCE

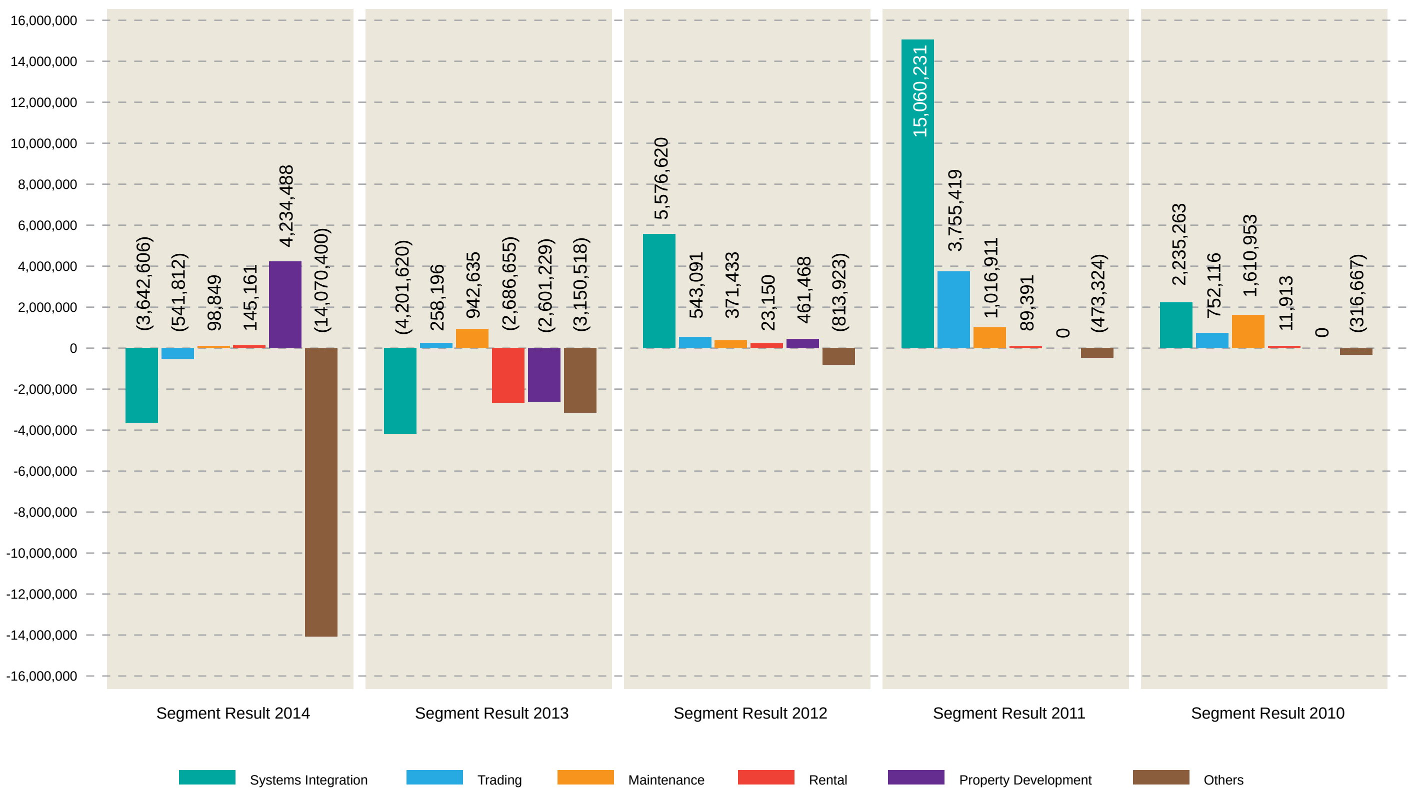
Segment Revenue Analysis

(RM'Million)



Segment Results Analysis

(RM'Million)



BOARD OF DIRECTORS

01 TAN SRI DATUK MOHD ZAMAN KHAN @ HASSAN B RAHIM KHAN
Independent Non-Executive Chairman

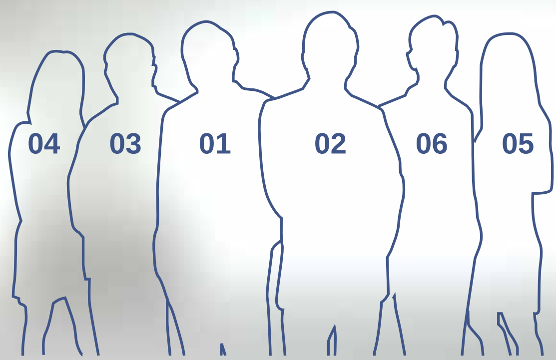
02 MEJAR (K) DATUK WIRA LEE WAH CHONG
Managing Director

03 DATO' HAJI ISHAK BIN HAJI MOHAMED
Senior Independent Non-Executive Director

04 LEE MELY
Executive Director

05 LEE JIN JEAN
Executive Director

06 SEE TAI SOON
Independent Non-Executive Director



DIRECTORS' PROFILE

TAN SRI DATUK MOHD ZAMAN KHAN @ HASSAN B RAHIM KHAN

Independent Non-Executive Chairman

Tan Sri Datuk Mohd Zaman Khan @ Hassan B Rahim Khan, a Malaysian aged 73, was appointed as an Independent Non-Executive Director of the Company on May 2011. He was also appointed as chairman of the Audit Committee, Nomination Committee and Remuneration Committee. He graduated from Royal College of Defence Studies, United Kingdom and also holds a Graduate Certificate in Management from Monash Mt. Eliza Business School. Tan Sri Datuk Zaman Khan namely as Commissioner of Police, Director of Criminal Investigation and Director-General for the Prisons Department. On his retirement, he became active in prevention and rehabilitation with PEMADAM. He was inducted into the Harm Reduction Working Group with the Malaysian Aids Council and subsequently inducted into the National Task Force on Harm Reduction. He is currently the President of Malaysian Aids Council and Trustee of Malaysian Aids Foundation.

He has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within past ten years.

His present directorship in public companies includes RCE Capital Berhad.

Tan Sri Datuk Mohd Zaman Khan attended four (4) out of five (5) Board of Directors' Meeting held during the financial year ended 30 September 2014.

MEJAR (K) DATUK WIRA LEE WAH CHONG

Group Managing Director

Datuk Wira Lee Wah Chong, a Malaysian aged 57, was appointed as the Managing Director of the Company on 18 August 2003. He is also a member of the Remuneration Committee. He 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.

He also sits on the Board of Directors of various other private companies and does not have any directorship in other public companies.

He has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within past ten years.

His daughter, Lee Jin Jean and his sister Lee Mely, are members of the Board.

Datuk Wira Lee Wah Chong attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2014.

DIRECTORS' PROFILE

DATO' HAJI ISHAK BIN HAJI MOHAMED

Independent Non-Executive Director

Dato' Haji Ishak Bin Haji Mohamed, a Malaysian aged 62, was appointed as an Independent Non-Executive Director of the Company on 27 May 2011. He was also simultaneously appointed as a member of the Audit Committee, Nomination Committee and Remuneration Committee. He graduated from University of Wisconsin USA with a Masters in Public Policy in 1992 and Universiti Sains Malaysia with a Bachelor of Social Science 1983. He last served the Malaysian Immigration Department as the Director of Enforcement and previously held several key positions, namely as Director of Immigration for Perak, Secretary General of the Welfare and Sports Council, Intan and Assistant Principal Director of Public Service Department.

He has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within past ten years.

He also sits on the Board of Directors of several other private limited companies and does not have any directorship in other public companies.

Dato' Haji Ishak Bin Haji Mohamed attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2014.

LEE MELY

Executive Director

Lee Mely, a Malaysian aged 54, was reappointed as an Executive Director of the Company on 27 May 2011. Previously she was a non-independent and non-executive director of the Company in 2003 until 2007. She is a Licensed Company Secretary under Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) since 1997. She graduated with a Certificate in Business Studies from Goon Institute, Petaling Jaya in 1981. She served with Hagemeyer Industries (M) Sdn Bhd as an Assistant Accountant for two (2) years. She left Hagemeyer Industries (M) Sdn Bhd in 1986 to join Segabina Sdn Bhd as an Accounts Executive. She was promoted to the position of Administration Manager in 1992, a position she held for six (6) years before being promoted to the position of General Manager

She does not have any directorship in other public companies.

Her brother, Datuk Wira Lee Wah Chong, and her niece Lee Jin Jean are members of the Board.

She has no conflict of interest with the Company, and she has no conviction for any offences (except for traffic offences, if any) within past ten years.

Lee Mely attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2014.

DIRECTORS' PROFILE

LEE JIN JEAN
Executive Director

Lee Jin Jean, a Malaysia aged 27, was appointed as Executive Director on 7 August 2013. She completed her professional studies at the Australia National University, graduating with a degree in economic and finance. She has gained experience in the banking industry.

She does not have any directorship in other public companies.

Her father, Mejar (K) Datuk Wira Lee Wah Chong, and her aunty Lee Mely are members of the Board.

She has no conflict of interest with the Company, and she has no conviction for any offences (except for traffic offences, if any) within past ten years

Lee Jin Jean attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2014.

SEE TAI SOON
Independent Non-Executive Director

Mr. See Tai Soon, a Malaysian aged 41, was appointed to the Board of Directors of the Company on 28 January 2014. He was a member of Audit Committee, Nomination Committee and Renumeration Committee. Mr See graduated from University Putra Malaysia with Bachelor of Accountancy in 1998. He admitted as a member of Malaysia Institute of Accountants and The Association of Chartered Certified Accountant in 2001. He started his career with Shamsir Jasani Grant Thornton on 1998 and resigned as Audit Senior on 2001. He stayed with a multinational company (Dunlop Slazenger (M) Sdn Bhd) for three (3) years as Accountant from 2001 to 2004 before running his own business.

He does not have any directorship in other public companies.

He has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within past ten years.

Mr. See attended four (4) Board of Directors' Meeting held during the financial year ended 30 September 2014.

CHAIRMAN'S STATEMENT

"Dear Shareholders,

On behalf of the Board of Directors of Digistar Corporation Berhad "Digistar", it gives me a great pleasure to present the Annual Report for the Financial year ended 30 September 2014".

INDUSTRY OUTLOOK, FUTURE PROSPECTS AND OUTLOOK OF DIGISTAR GROUP

Digistar is primarily a provider of system engineering and integration. Though it subsidiary companies, the Group is principally engaged in the provision of design, supply, installation and integration of IT infrastructure, tele-conferencing, local area networks, interactive media management systems, radio and TV news automation, telecommunication systems, integrated audio and visual systems and other related electronic systems. In addition, the Group is also involved in the provision of interactive pay TV services, property development, property holding and management operations. Due to nature of the Group's businesses, the Group's performance is closely dependents on the future prospects of the related industries, namely ICT, communication, construction and property development industries.

TAN SRI DATUK MOHD ZAMAN KHAN @ HASSAN B RAHIM KHAN
Chairman

CHAIRMAN'S STATEMENT

Overview and outlook of Malaysia economy

Malaysian real GDP is estimated to grow at 5.9% in 2014 strongly driven by the private sector both consumption and investment. Net exports are somewhat strong but on weaker imports. Weaker imports, particularly on the intermediate goods, in turn will jeopardize future exports. As such, the contribution of export demand to the forecasted real GDP growth of between 5.0 – 5.5% in 2015 is predicated to be weaker. Therefore, domestic demand is forecasted to be stronger in 2015 as public consumption and investment are expected to pick up the slack of the somewhat weaker private counterparts. The same trend, but a bit stronger, is expected to persist in the following year.

The Malaysian economy has benefited from several initiatives and reforms taken over the years to enhance its resilience and competitiveness. Consequently, Malaysia is now well placed to gain further form the gradual global recovery with a more broad-based growth. The nation's strengths include: strong macroeconomic fundamentals such as a diversified economy; low unemployment; strong international reserves; growing role of the private sector as the driver of growth with its share of investment currently accounting for 68.9% of total investment during the first half of 2014; and healthy financial system to support economic activity.

On the demand side, growth will be underpinned by resilient consumer spending, strong private investment activity and improving global demand. Consumer spending is envisaged to be sustained, albeit at a moderate pace, supported by favorable labour market conditions, continued wage growth and firm export earnings. Private investment is expected to sustain its strong growth momentum supported by the ongoing projects under Economic transformation Programme (ETP) and investment in the regional economic growth corridors. Meanwhile, public expenditure is envisaged to expand at a slower pace in line with the Government's commitment to fiscal consolidation. Public consumption is expected to moderate due to lower growth on emoluments, while public investment will continue to expand supported by higher capital spending of Non-Financial Public Enterprises (NFPEs).

On the supply side, all sectors are expected to record positive growth in 2014, with the services and manufacturing sectors spearheading growth. The services sector is expected to grow strongly, with wholesales trade, transport and storage benefiting from higher trade-related activities. Meanwhile, activities in retail trade accommodation and restaurants as well as communication are expected to increase amid sustained household spending. Growth of the domestic-oriented industries such as food and beverage as well as transportation equipment and machinery is expected to remain favourable, in line with resilient domestic consumption and robust private investment, the construction sector is expected to further expand supported by the civil engineering and residential subsector. Meanwhile, growth in the residential subsector is mainly due to the construction of private residential projects ranging from medium to high-end properties, particularly in the Klang Valley, Pulau Pinang and Johor.

Malaysia's external position is anticipated to remain favourable in 2014 supported by an improving external environment, upturn in global semiconductor sales, as well as resilient domestic and regional demand.

In line with the better economic growth , national income as measured by the nominal GNI (Gross National Income) is estimated to expand 10.2% to RM1,049.5 billion in 2014, surpassing for the first time the RM 1 trillion mark (2013:5.2%; RM952.6 billion), while per capita income will increase 8.9% to RM34,682 (2013:3.7%; RM31,843). In terms of purchasing power parity (PPP), per capita income is expected to increase 2.2% to USD 22,958 (2013: USD22,460). During the first half of 2014, all sectors recorded expansion, with growth driven by the services and manufacturing sectors, amid resilient domestic demand and an improving external sector. The services sector expanded further led by strong activity in the wholesale and retail trade as well as communication subsectors.

Private consumption is projected to increase, albeit at a slower pace of 6.5%, in 2014 compared with 7.2 % in 2013. This was partly attributed to the moderate growth in household spending due to the rising cost of living as reflected in the above-trend inflation of 3.3% during the first eight months of 2014 (January - August 2013: 1.7%). However consumption spending continues to be supported by stable income growth and strong export earnings.

Private investment is expected to remain vibrant with growth of 12% in 2014 (2013: 13.1%). Especially in the services and manufacturing sectors. Growth will be supported by various Government initiatives to accelerate private sector participation amid upbeat business confidence following higher export earnings and stable labour market conditions. Capital spending in the services sector will be mainly in consumer-related activities such as wholesale and retail trade, accommodation and restaurant as well as communication subsectors.

Public investment is anticipated to expand further by 2.6% (2013: 2.2%) supported by higher capital spending of the NFPEs.

CHAIRMAN'S STATEMENT

Outlook of the ICT industry

ICT segment in Malaysia is projected to register significant growth in 2014. The ICT segment grew at a Compound Annual Growth Rate (CAGR) of 12.4% lifting its value added services from RM 11.77 billion in 2000 to RM59.83 billion in 2013. The ICT segment is poised to reach the mark of RM67.99 billion in 2014 by registering a repeat annual growth rate of 12.4%. In tandem the share of ICT segment in the national Gross Domestic Product (GDP) increased from 3.3% to 6.4%, almost doubling over the period of 2000-2014.

Outlook of the construction and property development industry

Construction sector continued to register a double digit growth of 14.3% during the first half of 2014 (January – June 2013: 12%) and full year growth of 12.7%. This sector is projected to increase 10.7% in 2015 supported by commencement of some O&G related projects. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle income group. Demand for affordable housing will remain favourable amid several Government initiatives such as PR1MA. The non-residential subsector is also expected to remain stable supported by encouraging demand for industrial and commercial buildings.

Financial Review

Revenue Performance: It has been another challenging for Digistar as we achieved tremendous growth of revenue to RM109.71 million for FY2014 despite facing of many challenging this year. Year on year, the revenue increased by 127.19% from RM48.29 million (FY2013).

Net Result Performance: Digistar incurred a net loss of RM13.78 million for FY2014 as compare to the loss of RM11.44 million in FY2013.

The increase in revenue are mainly due to delivery of fast-track projects in system integration and broadcast engineering segments. In addition, the recognition in the property development and constructionsector have been increased significantly which contributed the revenue performance for the year.

The net negative result performance was mainly contributed by the adoption of IC 12 interpretation standard on Service Concession Arrangement for the construction segment whereby all the interest cost has been charged out instead of capitalise.

The Group shareholder funds for FY2014 improved to RM74.66 million as compare to RM65.69 million for FY2013 while the Net Asset Share was 18 sen for FY 2014 as compare to 19 sen for FY 2013

Corporate Exercises

- ### Private Placement

  On 18 November 2013, Digistar propose to undertake a private placement of up to 105,738,661 new ordinary shares of RM0.10 each in Digistar representing up to 20% of the issued and paid up share capital of Digistar, at an issue price to be determined later. The listing application in relation to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 25 November 2013. On 10 December 2013, Bursa has approved the listing of and quotation for up to 105,738,661 new ordinary shares of RM0.10 each in Digistar to be issued pursuant to the Propose Placement. The Proposed Private Placement was duly passed by Digistar's shareholders at the EGM on 9 January 2014.

  On 20 January 2014, Digistar has fixed the issue price for the first tranche of Private Placement comprising 34,544,695 Placement Share representing approximately 10% of the existing issued and paid-up share capital of the Company (excluding treasury share), at RM0.23 per Placement Share. The aforementioned issued price represents a discount of 20.69% to the five (5)-days weighted average market price of Digistar share up to and including 20 January 2014 of RM 0.29. A total of 34,544,695 Placement Share were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00am on Thursday, 30 January 2014, marking the completion of the first tranche of Private Placement.

  On 17 March 2014, Digistar has fixed the issue price for the second tranche of Private Placement comprising 34,544,700 Placement Shares representing approximately 10% of the existing issued and paid-up share capital of the Company (excluding treasury shares), at RM0.20 per Placement Share. The aforementioned issue price represents a discount of 20.00% to the five (5)-day weighted average market price of Digistar Shares up to and including 14 March 2014 of RM0.25. A total of 34,544,700 Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Wednesday, 26 March 2014.

CHAIRMAN'S STATEMENT

On 23 June 2014, Digistar proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Digistar, at an issue price to be determined later. On 27 June 2014, Bursa has approved the listing of and quotation for up to 59,778,270 new ordinary shares of RM0.10 each in Digistar to be issued pursuant to the Propose Placement.

On 23 October 2014, Digistar has fixed the issue price for the Private Placement comprising 41,453,637 new ordinary shares of RM0.10 each in Digistar at RM0.22 per Placement Shares. The issue price of RM0.22 per Placement Share represents a discount of 8.52% to the five (5)-day weighted average market price of Digistar Shares up to and including 21 October 2014 of RM0.24.

On 4 November 2014, the 41,453,637 Placement Shares were granted listing quotation on the Main Market of Bursa Malaysia Securities Berhad and marking the completion of the Private Placement.

Dividend

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

Prospect

Digistar Group is principally involved in the 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. Currently, Digistar Group only has operation in Malaysia.

For FY 2014, the company registered a revenue of RM109.71 million. As a substantial portion of Digistar's revenue is closely link to the construction industry and given the positive outlook of the Malaysia construction industry as mentioned above, the management of Digistar anticipates wider business opportunities for its system integration segment through projects involving the installation and integration of information technology infrastructure.

Television networks and production facilities in the Asia-Pacific region are increasingly making the transition from analogue to digital television broadcast. With the introduction of digitalization, most of the broadcasters are working towards having their broadcast stations equipped with the necessary technology. This gives ample continuous opportunities for the company to offer its broadcast system integration services to broadcasters in the region and also expanding the Digistar businesses in area of PayTV, Central Monitoring System (CMS) and Telco division.

In light of the projected growth of the economy as highlighted in the previous sections, the directors of the Digistar believes the prospects of Digistar Group would be favourable for the next coming financial year.

Board Developments

We are pleased to inform the Board of Directors has adopted the Board Charter together with the Code of Conduct and Sustainability Policy, among others to accord with the recommendation of the Malaysia Code of Corporate Governance 2013.

A Note of Appreciation

It has been an exceptional financial period for us and it would not have been possible without the guidance of the board and the support of management and staff. My sincere appreciation also goes to our customers, business partners and all other stakeholders.

Last but not least, I thanks to my fellow Board member, which have provide valuable insight, guidance and wise counsels to the Company. On behalf of the Board, I would like to record our sincere appreciation to Mr. Ong Fee Chong, who resigned as an Executive Director on 10 February 2015, for his invaluable service to the Group. As chairman of Digistar Corporation Berhad I truly appreciate the trust and opportunity given to me and I shall endeavour to give my utmost in discharging the responsibilities entrusted upon me.

TAN SRI DATUK MOHD ZAMAN KHAN @ HASSAN B RAHIM KHAN
Chairman

26 February 2015

MANAGING DIRECTOR'S REPORT

"2014 was indeed another challenging year for our Group to face the extreme volatility in the market and highly competitive business environment"

Despite of the 2014 result, our revenue performance has been improved quite significantly during the year. It was a record breaking year that the Group has achieved RM109.71 million which broke the RM100 million mark.

With our project in hand namely the construction of Malaysia National Technology Advancement Centre of JKR Institute at Alor Gajah, Melaka under concession agreement with the Government of Malaysia, I believe that this project will contribute a very positive result to the Group in the coming year.

A very well sales response and on time development stage for our first property development which project namely "The Imperial Heritage" in the heart of Melaka (a UNESCO world Heritage Site) has contribute positively in term of revenue and result to the Group. We expect that our hotel operation for this development project will be commenced in the second quarter of FY 2015 and foresee that it will also contribute positively to the Group earning. Our recent launching of our maiden 24 hours real time central monitoring system services is also expect and will enhance our Group earnings power and growth.

Digistar has grown from a system house to being a "one-stop" system integrator specialising in advance system, electronics, broadcast installation and maintenance throughout Malaysia.

MEJAR (K) DATUK WIRA LEE WAH CHONG
Managing Director

MANAGING DIRECTOR'S REPORT

Our Group's business performance based on the audited consolidated financial statements of our Group for the past five (5) financial years up to the FY 30 September 2014:-

- Our revenue grew from RM73.29 million to RM109.71 million between the FY 30 September 2010 and FY 30 September 2014.

- Our profit attribution to shareholders drop from RM4.29 million profit to RM5.65 million loss between the FY 30 September 2010 and FY 30 September 2014.

- Our shareholder's equity grew from RM29.70 million to RM74.66 million or 2.51 times between the FY 30 September 2010 and FY 30 September 2014.

The Group remained resilient whilst operating in such volatile environment. The deficit in the current year earnings and consequence of the enlarged number of share capital, the Net Assets per share dropped to 18 sen as compare to 19 sen in previous year based on our issued share capital at par value of 10 sen each. The Net Assets per Share still at the premium level. The systems integration segment continued to be the largest revenue contributor to the Group which contribute RM42.45 million out of RM109.71 million. Our property development segment is the second largest contribution of RM37.79 million in terms of revenue.

This was largely due to Management's steadfast approach in the implementation of fiscal controls and growth strategies with emphasis on the Group's core businesses, namely System Integration segment and divest into property development and construction segment to further enhance shareholders value.

Strategy Moving Forward and Future Prospects

Our Group's competitive advantages and key strengths that will enable the group to compete successfully as well as to provide the Group with growth prospects. The competitive advantages and key strengths of the group are set below:

- Our Group's track record and established reputation as a comprehensive system integration solutions provider since the commencement of its business in 1982.

- Our Group's expertise in providing customized solutions in systems engineering and integration to meet its customer's requirements; and

- Our services provided to large user-industries, which is a key strength as it enables the Group to sustain its business and future growth.

We have in place for our business and expansion plans that are expected to create growth opportunities to the Group in long term:-

- The Group plans to expand its broadcasting systems engineering and integration business by servicing more local media broadcast operators as well as to address new markets in Asia Pacific region.

- The Group plans to expand its business in the provision of security systems, particularly in the operation of 24 hours security monitoring system, namely CMS, that are targeting at residential, commercial, industrial, warehouse, SMEs, and bank properties within Malaysia.

MANAGING DIRECTOR'S REPORT

The CMS will utilize internet protocol based detection platform and high technology surveillance system to detect intruders before they enter the protected premises. In the event of a motion detected, the system will automatically relay a distress or emergency signal. CMS command center, which is a center that links all the premises with the CMS, will coordinate and respond to the signal received.

Presently, the CMS command centre is located in Kuala Lumpur, Johor, Penang and Malaka.

We believes that the Group's expansion in this CMS business will contribute a positive steady and recurring revenue stream earnings of the Group in long term.

- The Group plans to expand its existing communication business by venturing into the provision of mobile virtual network services and machine to machine solutions.

Furthermore, the electronics system engineering and integration industry is closely related to the construction of residential and non-residential properties. This is because many of the buildings, structures and amenities constructed are commonly fitted with various types of electronics systems, particularly for non-residential buildings and amenities. In tandem with the positive outlook of the construction and property development industry , we anticipates greater business opportunities for the system integration segment through projects involving the installation and integration of IT infrastructure.

In addition, TV networks and production facilities in the Asia Pacific region are increasingly making the transition from analogue to digital TV broadcasting. With the introduction of digitalization, most of the broadcasters are working towards having their broadcast stations equipped with the necessary technology. This gives ample continuous opportunities for the Group to offer its broadcast system integration services to broadcasters in this region.

In view of the above, our board believes that the prospect of the Group is favourable after having considered all the relevant aspects including the outlook of the related industries which are closely linked to the Group's business performance.

Acknowledgement and Appreciation

The group continues remain vigilant in its action and proactive in management while operating in a robust and highly competitive business environment. In light of the projected growth of Malaysia economy our success in breaking through the new market and our key strength in term of expertise, experience and reliability. I believe that FY 2015 will be another good year for Digistar Group. I also expect that FY 2015 will be another exciting and very busy period for us as we move to conquer new frontiers and all other new projects that we are planning to unveil soon.

I would like to extend my deepest appreciation to our shareholders, other stakeholders, the management and the staff of Digistar for their confidence and unwavering support throughout FY 2014. I also wish to extend my sincere thanks to my fellow Board members for their commitment and invaluable advice. I hope this good relationship that we have built will continue to flourish well in to the future.

MEJAR (K) DATUK WIRA LEE WAH CHONG
Managing Director

26 February 2015

MANAGEMENT DISCUSSION AND ANALYSIS

"This Management Discussion & Analysis [MD & A] of Financial Condition and Results of Operations formally cover from 1 October 2013 to 30 September 2014.

Overview of results

We are an Investment holding company. Though our subsidiaries, we are principally involved in the design, supply, installation and integration of IT infrastructure, tele-conferencing, LANs, interactive media management systems, radio and television news automation telecommunication systems, integrated audio and visual systems, and other related electronic systems. Our target market is mainly the local system end users, particularly in higher learning institutions, hospitals as well as public and private buildings. As a system integrator, we principally design and install the most appropriate systems and/ or equipment to suit each particular environment.

To complement our present business, we also play the role of a distribution centre for all kinds of specialized local electronic and electrical components products, as well as products from several reputable international hardware and software manufacturers, such as audio and visual equipment, as well as broadcasting software and hardware. We also provide electronic systems maintenance and support services to our clients.

The Group has been keep on growing, expanding and venture into new businesses. Among of the new businesses and division that have been set up are the property development division and central monitoring system (CMS) division.

Our Group is also involved in the provision of interactive Pay TV, property holding and property management, which includes renting, maintaining and upkeep of properties.

Our Group's revenue and result for the past 5 years up to FY 30 September 2014, are disclosed in this Annual Report under the section Group Financial Highlights for the Group and Business Segments.

Our gross revenue for the Group is RM109.71 million and was mainly generated from the provision of system engineering and integration services for the FY 2014, which contributed approximated RM42.45 million or 38.69% or our Group's revenue. The property development division contributed RM37.79 million for the Group's revenue which constitute 34.44% of the total revenue. The remaining were contributed from trading of electronic and electrical components and products, electronic systems maintenance and support services, interactive Pay TV as well as rental income received from our two (2) rented properties to third parties.

Our operations are carried out through of our subsidiaries as follows:

- **Digistar Holdings Sdn Bhd**, which is principally involved in designed, supply, installation and integration of IT infrastructure, tele-conferencing, LANs, interactive media management systems, radio and television news automation, telecommunication systems, integrated audio and visual systems, and other related electronic systems;

- **Digistar Rauland MSC Sdn Bhd**, which is principally a health television operator, involved in the provision of interactive Pay TV services to local hospitals;

- **Rauland Asia Sdn Bhd**, which is principally involved trading of electronic equipment and Central Monitoring System (CMS) services.

- **Digistar Properties Sdn Bhd**, which is principally involved in property holding and property management, which include the renting, maintaining and upkeep of properties;

- **Seni Pujaan Sdn Bhd**, which is principally involved in property developments;

- **Matang Makmur Holdings Sdn Bhd**, which is currently principally engaged in the business of investment holding.

- **Indera Persada Sdn Bhd**, which is currently undertaken the construction and provide asset management service for the concession asset.

- **Digistar Construction Sdn Bhd**, which is currently involved in construction work of concession asset.

MANAGEMENT DISCUSSION AND ANALYSIS

- **Protec A & A CMS Sdn Bhd**, which is principally involved in Central Monitoring System (CMS) services.

Our business activities, products and services.

We focus on the provision of a range of systems engineering and integration solutions. Although our solutions can be customized for use in any industry, we are currently focusing on the audio-visual, broadcasting and security sectors, besides sourcing software and equipment for our system engineering and integration services, we also trade hardware and software as part of our business model. We also provide after-sales support to our customers by providing systems and equipment maintenance services.

Our other business activities are in provision of interactive Pay TV, property holding, central monitoring system, telecommunication, property development and construction activities.

- **System engineering and integration**

  The provision of systems engineering and integration solutions is undertaken by our subsidiary, Digistar Holdings Sdn Bhd. Our system engineering and integration solution mainly cover the audio-visual sectors, broadcasting system and security systems. The division contributed revenue and result of RM42.45 million and a net loss of RM5.11 million respectively as disclosed in the Group Financial Highlights.

- **Interactive Pay TV services**

  The provision of interactive pay TV services is undertaken by our subsidiary in Digistar Rauland MSC Sdn Bhd. Our interactive Pay TV services is market under the brand name of “Haha TV”. This division contributed revenue of RM1.60 million and a net profit of RM0.35 million.

- **Central Monitoring System (CMS)**

  The ICT business continues to contribute “consistent recurring income” even thought the industry faced more challenges. As part of this recurring income plan, the company would be launching a hi-tech central monitoring system (CMS). The CMS, called Parther 911, was expected to generate long-term recurring income for the company. The company has invested RM5 million over past two years to develop the system, including set-up of our CMS command centres in kuala Lumpur, Penang, Malaka and Johor. The second phase of this security systems business involved expanding to Sabah and Sarawak.

  Digistar’s CMS offers monitoring services via a comprehensive internet protocol-based platform and hi-tech surveillance system. It can switch to sun on 3G, 4G and LTE networks during the power disruptions. The 24-hour real-time monitoring services would be offered to residential, commercial, industrial and public properties, covering a wide range of surveillance including alarms system for the elderly, infant, vehicle and self-monitoring. The system in licenced under the Home Affairs Ministry, this CMS can act as a bridge between the police and the public. This division generated revenue of RM0.12 million to the Group and incurred net loss of RM1.17 million due to huge operating, administration and marketing cost incurred for this division.

- **Construction division**

MANAGEMENT DISCUSSION AND ANALYSIS

Our subsidiary , Indera Persada Sdn Bd, have entered into an agreement with the Government of Malaysia to carry out the design, development, construction and completion of the buildings, structures, equipment plants, machinery, installation, facilities and infrastructure (together with the necessary amenities, utilities and fittings and fixtures) which are to be designed, constructed, installed, developed and completed on a parcel of leasehold and held under land title details Pt 3287 H.S(D) 21930 measuring approximately 110 acres situated in Mukim Taboh Naning, Daerah Alor Gajah, Malaka ie for construction of Malaysia national Technology Advancement Centre or JKR Institute. The concession period for the project are 18 years which covered the construction period for 3 years and asset management services period for 15 years. The concession agreement expected to contribute positively to Digistar Group's earning and net tangible assets for the financial years ending 30 September 2016 – 30 September 2030. As at financial year, this division yet to deliver any revenue and result for the Group.

- **Property Development – The Imperial Heritage**

The other part of our business is property development, which is undertaken by our subsidiary, Seni Pujaan.

THE IMPERIAL HERITAGE is a unique and exciting development that combine the elements of classical architectural design & ingenuity, features modern and contemporary lifestyle in the heart of Melaka town, a UNESCO World Heritage Site, One of the most vibrant states and rich in historical influence in the country. Strategically, located within walking distance to the most popular tourism spots. THE IMPERIAL HERITAGE offer our valued customer and exclusive property investment in Melaka, Malaysia to meet the demands more than 10 million visitors every year. THE IMPERIAL HERITAGE complete with facilities such as centralized MATV & IPTV systems, WIFI and internet access, 24 hours security systems. Different interior themes such as Balinese, Classic & Modern Lifestyles are available to cater for the different tastes and individuality.

THE IMPERIAL HERITAGE

THE IMPERIAL HERITAGE complete with facilities such as centralized MATV & IPTV systems, WIFI and internet access, 24 hours security systems. Different interior themes such as Balinese, Classic & Modern Lifestyles are available to cater for the different tastes and individuality.

MANAGEMENT DISCUSSION AND ANALYSIS

Factors and trends affecting future financial condition and results

After taking into consideration the risk factors relating to our industry and business, and our ability to mitigate such risk factors, we are of the opinion that our future financial condition and results will remain favourable, promised on the following:

- The favorable performance of related industries, i.e. the construction industry;
- The growing economy provides the impetus for private and public spending, which will have a positive flow on effect to the electronic system engineering and integration industry;
- Various initiatives undertaken by the Malaysia government, such as the following:
  - Shifting the Malaysia economy towards higher value-added services through identifying new sources of economic growth, termed as National Key Economic Areas (NKEA), which include, among others, education, ICT, private healthcare and tourism;
  - Rolling out the national Digital Terrestrial Television Broadcasting (DTTB) project which is aimed at TV broadcasters to convert from analogue format to digital format.
  - Encouraging operators in each sector to invest in technological advances to improve the delivery and quality of their products and services; and
  - Promoting private sector investment in priority areas, such as education, healthcare and tourism; and
- Our ability to provide customized solutions in systems engineering and integration, and ability to serve a large user-industries.

Our competitive advantages provide the foundation for us to maintain our edge over our existing and new competitors, as well as the sustainability of our business and financial growth.

Our future plans continue to make major inroads into the broadcasting segment through servicing other local media broadcast operators and venture into overseas, to leverage from our existing technical expertise in the provision of interactive Pay TV services and target a niche market of residential users in condominium, apartments and flats and to extend our expertise and venture into overseas, to leverage from our existing technical expertise in the provision of interactive Pay TV services and target a niche market of residential users in condominium, apartments and flats, and to extend our expertise and venture into central monitoring system engineering and integration, and operation of central monitoring stations to address new areas of growth and opportunities.

Premised on the prospects and outlook of the ICT, construction and property development industry in Malaysia, we are of the opinion that our future financial condition and results of operations will remain favourable in the long-run.

SIGNIFICANT EVENTS AND AWARDS

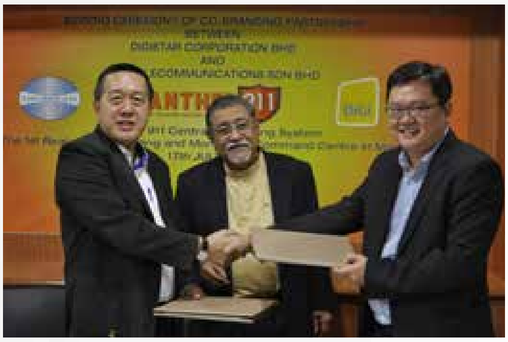
Forbes Asia Best Under A Billion Award

THE REGION'S TOP 200 SMALL AND MIDSIZE COMPANIES

SIGNIFICANT EVENTS AND AWARDS

BUKIT RAJA

DIGISTAR SIGNING CEREMONY



DIGISTAR-PROTECS SIGNING CEREMONY

PANTHER LAUNCHING CEREMONY & SAFECAM PARTNERSHIP SIGNING (MOU)

ON THE NEWS

冀提高下財年營業額20%
立藝推出新防盜系統CMS

3年後推廣至海外

投資500萬

有信心今年转盈
立艺企业进军电讯业务

立藝企業競標2億合約

Digistar bids for RM200m ICT jobs

Digistar CEO upbeat about turnaround plan

Lee says the Panther 911 is expected to generate long-term recurring income for the company.

Digistar gets three licences from MCMC

PETALING JAYA: Digistar Corp Bhd has received three individual licences from the Malaysian Communications and Multimedia Commission (MCMC) to provide network facilities and services.

Through its 80%-owned subsidiary Digistar Rauland MSC Sdn Bhd, the group has been awarded the licences for a period of five years.

One of the licences is to provide network facilities infrastructure such as cables, towers, satellite earth stations, broad-...

The technology company also received a licence as content applications service provider, including television and radio broadcast services and services such as online publishing and information services.

The licences are not expected to have any material impact on the earnings of Digistar Group for the financial year ended 30 September 2013, but will contribute positively in the future earnings of the group.

In a filing with Bursa Malaysia, the group also said it proposed renounceable rights issue of up to 137.7 million new ordinary ...

ICT remains mainstay of Digistar

CEO says the business contributes consistent income despite challenges

放眼 5 年 50 万用户
立艺强攻中央监控系统

明年开拓新业务

CMS 系统带动业绩
立艺企业竞标 2 亿合约

李华中表示，立艺企业2013年将稳当财忙。

CORPORATE SOCIAL RESPONSIBILITY

At Digistar Group, the corporate social responsibility (CSR) is an integral element of sustainable business growth and value creation for all our stakeholders, and is embraced in all aspects of our business. Our framework for sustainability, covering the dimensions of the workplace, environment, community and marketplace, is subsumed in our corporate culture, as an integral part of our organisational strategy.

Our CSR provides the framework that emphasizes our commitment to the following pivotal areas:

The Business in Society

WORKPLACE

Workplace Diversity

Digistar acknowledges that a positive and respectful culture across the organization is critical for the business sustainability and is committed to provide an environment where all employees, regardless of age, gender, race, religion, nationality and education, have equal opportunity to strive and work together in harmony to achieve organisational goals and sustainable growth.

Human Capital Development

Digistar fosters a conducive and dynamic working environment to encourage development of all employees. Employees are given the opportunity to develop and upgrade their skills, knowledge and attitudes. Continuous training and development programs are provided for employees internally and externally.

Rewards and Recognition

Digistar Group appreciates and recognises its employees who form the backbone and the pillar of success in the Group. Digistar offers a competitive remuneration package and attractive work place in order to retain quality and high standard workforce.

Health and safety

Digistar has developed a comprehensive Health and Safety framework and create safety awareness among the employees to ensure a safe and healthy working condition for the employees. Safety measures in place include security guards, surveillance equipment at relevant work locations, appropriate notices on safety measures and ensure that equipment and building system are functioning properly and well maintained.

CORPORATE SOCIAL RESPONSIBILITY

COMMUNITY

Digistar had contributed philanthropically towards the community in support of charitable event and education.

Charitable Event

Digistar has contributed RM50,000.00 for donation towards Fundraising Dinner Yayasan Toh Puan Zurina (YTPZ), graced by Tuan Yang Terutama Tun Datuk Seri Utama Mohd Khalil Bin Yaakob, Yang di-Pertua Negeri Melaka.

Digistar Professional Development & Training Scholarship

Digistar Group believes that education is an integral component in empowering and enlightening the young to become leaders of tomorrow.

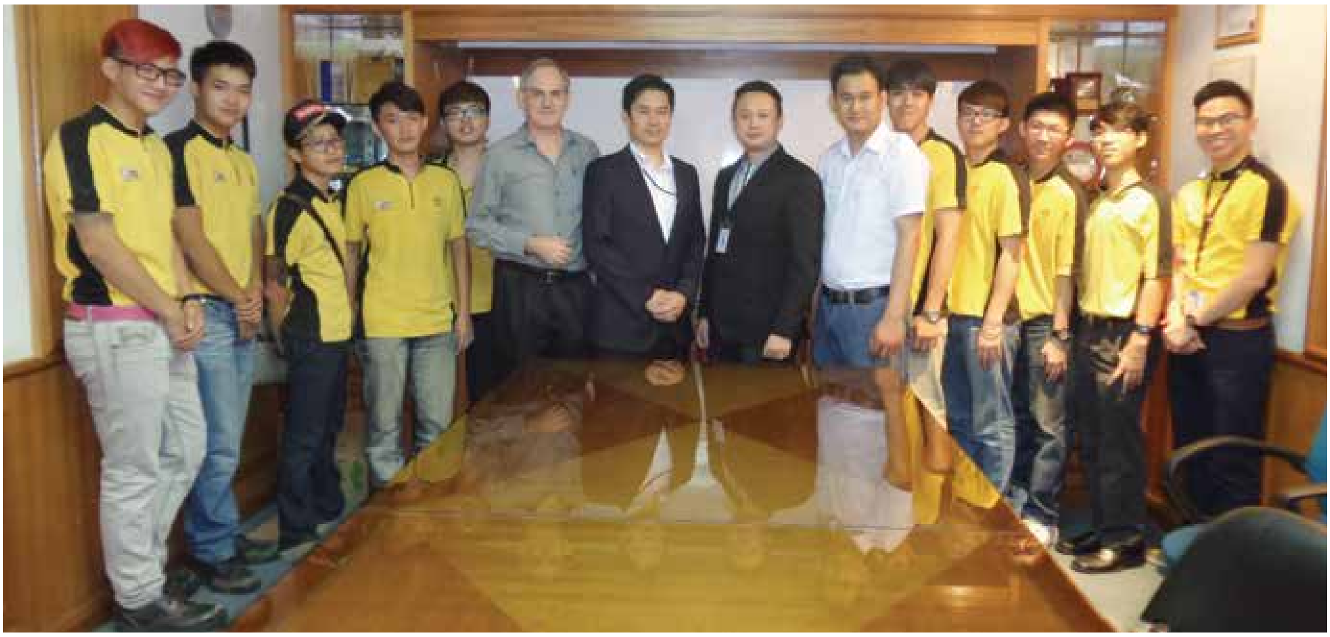
Under the Scholarship, the students required to undergo a Company-selected course at an institution determined by the Company on a full-time basis. Thereafter, the students shall undergo a full time practical training which may be conducted in-house or at selected institutions and organizations, both local and oversea training.

Upon completion of the Training Period, successful students will be offered employment as well as opportunity to undergo further trainings overseas and career advancements with the Group.

The Group shall sponsor the costs of the full time course and practical training, provide monthly allowance and hostel accommodation.

Internship Programme

Digistar also welcomes students to participate in its internship programs. They will be provided with free lodging and monthly allowances. Upon completion of the internship program, successful students will be offered employment and career advancement with the Group.



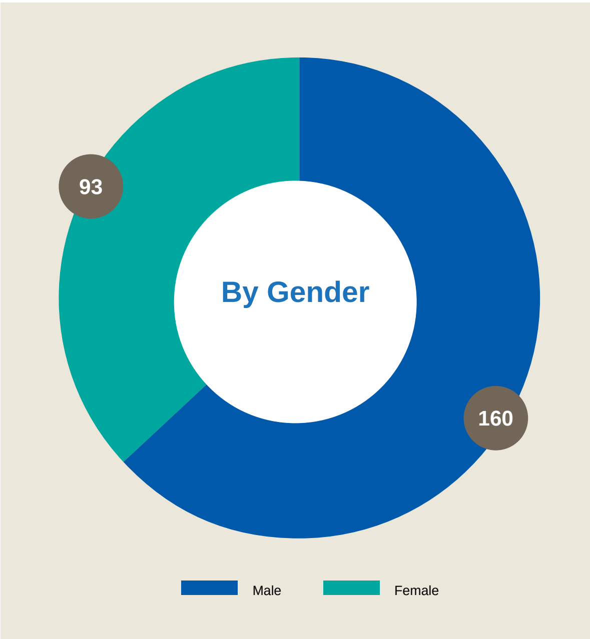
CORPORATE SOCIAL RESPONSIBILITY

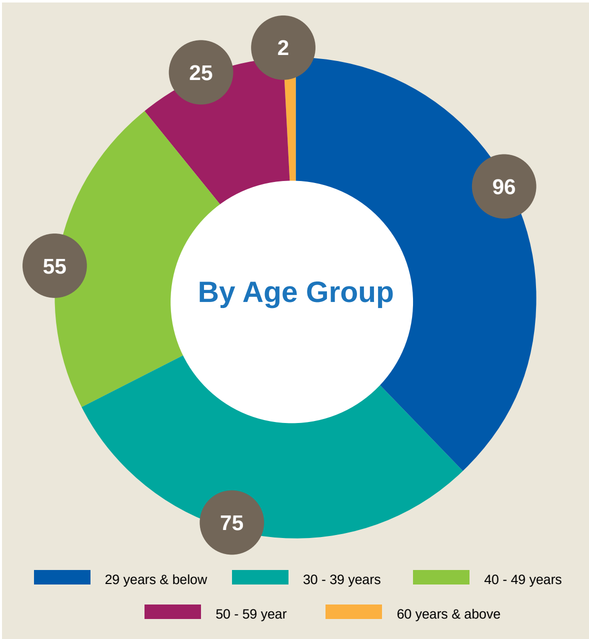
ENVIRONMENT

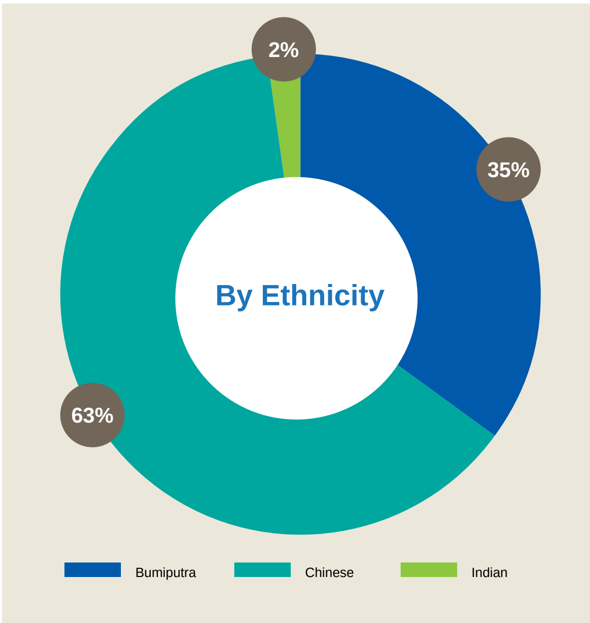
The environment is an essential part of business operations. There are continuous awareness programs being conducted to ensure the appreciation of and conservation of flora and fauna.

MARKETPLACE

As part of its on-going efforts of enhancing relationship between the Group and its suppliers, customers and other stakeholders, programs for interaction and networking are organised on regular basis. The Group continuously cultivate a transparent and open relationship with its multiple stakeholders.







STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

1. Disclaimer Statement

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Proposed Renewal of Share Buy-Back Authority ("Statement") prior to its issuance. As such, Bursa Securities takes no responsibility for the contents of this Statements, 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 Main 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 stabilize the supply and demand of Digistar Shares traded on the Main 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 purchases Digistar Shares can be held as treasury shares and resold on the Main Market at a higher price with the intention of realizing 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 2014 the retained profits and share premium account of the Company stood at RM7,721,799 and RM24,347,220 respectively. Based on the unaudited First Quarter results for the period ended 31 December 2014, the retained Profit and share premium account of the Company stood at RM7,644,538 and RM29,276,057 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 utilized 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 of 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 serving 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 2014, the Group has a net cash and cash equivalent balance of approximately RM230,658,258

STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

5. Direct and Indirect Interest 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 Substantial Shareholders of Digistar and persons connected with them as at 31 January 2015 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:

Minimum Scenario: Assuming that none of the 101,849,185 outstanding Warrants A and 74,024,334 Warrants B (collectively referred as "Outstanding Warrants") are exercised.

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

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

Minimum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares (i)				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled (ii)			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interest #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mejar (K) Datuk Lee Wah Chong	35,459,749	7.78	71,528,873	15.69	35,459,749	8.64	71,528,873	17.46

Maximum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares (i)				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled (ii)			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interes't #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mejar (K) Datuk Lee Wah Chong (a)	40,243,730	6.37	85,134,059 (b)	13.47	40,243,730	7.09	85,134,059 (b)	14.99

Notes:

(i) *The share purchased and held as treasury shares as at 31 January 2015 is 7,372,808 shares.*

(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) *Mejar (K) Datuk Wira Lee Wah Chong holds 4,783,981 Warrants B as at 31 January 2015.*

(b) *Kenangan Lampiran Sdn Bhd and Datin Wira Wa Siew Yam hold 13,595,019 and 10,167 Warrants B respectively as at 31 January 2015.*

\# *Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd (formerly known as Kenangan Lampiran Sdn Bhd) pursuant to section 6A of the Companies Act, 1965 ("the Act") and the shareholding of his spouse pursuant to Section 134(12)(c) of the Act.*

STATEMENT TO THE SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

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

Minimum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares (i)				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled (ii)			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interest #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
LWC Capital Sdn Bhd (Formerly known as Kenangan Lampiran Sdn Bhd)	65,098,526	14.28	-	-	65,098,526	15.86	-	-
Mejar (K) Datuk Lee Wah Chong	35,459,749	7.78	71,528,873	15.69	35,459,749	8.66	71,528,873	17.46

Maximum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares (i)				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled (ii)			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interest #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
LWC Capital Sdn Bhd (Formerly known as Kenangan Lampiran Sdn Bhd) (a)	78,693,545	12.45	-	-	78,693,545	13.86	-	-
Mejar (K) Datuk Lee Wah Chong (b)	40,243,730	6.37	85,123,892	13.47	40,243,730	5.75	85,134,059	14.99

Notes:

(i) The share purchased and held as treasury shares as at 31 January 2015 is 7,372,808 shares.

(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 Lampiran Sdn Bhd holds 13,595,019 Warrants B as at 31 January 2015.

(b) Mejar (K) Datuk Wira Lee Wah Chong holds 4,783,981 Warrant B as at 31 January 2015.

 # Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd (Formerly known as Kenangan Lampiran Sdn Bhd) pursuant to section 6A of the Companies Act, 1965 ("the Act") and the shareholding of his spouse pursuant to Section 134(12)(c) of the Act.

STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

(c) Direct and Indirect Interests of Persons Connected with the Directors and Substantial Shareholders of Digistar

Minimum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares [i]				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled [ii]			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interest #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Lee Mey Ling #	54,400	0.01	-	-	54,400	0.01	-	-
Lee Hwa Beng #	441,000	0.10	-	-	441,000	0.07	-	-
Chua Mooi Hua #	164,705	0.04	-	-	164,705	0.03	-	-
Lee Seng Gak #	50	0.00	-	-	50	0.00	-	-
Lee Hwa Yang #	4,200	0.00	-	-	4,200	0.00	-	-

Maximum Scenario:

	Before Proposed Renewal taking into account the Shares purchased and held as treasury shares [i]				**After Proposed Renewal** assuming 10% of share capital was purchased and cancelled [ii]			
	Direct Interest		**Indirect Interest #**		**Direct Interest**		**Indirect Interest #**	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Lee Mey Ling #	54,400	0.01	-	-	54,400	0.01	-	-
Lee Hwa Beng [a] #	761,731	0.19	-	-	761,731	0.13	-	-
Chua Mooi Hua [b] #	1,259,267	0.31	-	-	1,259,267	0.22	-	-
Lee Seng Gak #	50	0.00	-	-	50	0.00	-	-
Lee Hwa Yang [c] #	9,290	0.00	-	-	9,290	0.00	-	-

Notes:

(i) The share purchased and held as treasury shares as at 31 January 2015 is 7,372,808 shares.

(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) Lee Hwa Beng holds 226,231 Warrants A and 94,500 Warrants B as at 31 January 2015

(b) Chua Mooi Hua holds 1,059,252 Warrants A and 35,250 Warrants B as at 31 January 2015.

(c) Lee Hwa Yang Holds 5,090 Warrants A as at 31 January 2015.

 # Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd (Formerly known as Kenangan Lampiran Sdn Bhd) pursuant to section 6A of the Companies Act, 1965 ("the Act") and the shareholding of his spouse pursuant to Section 134(12)(c) of the Act.

STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

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 will be mindful of the best interest of the Company and its shareholders to do so.

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 31 January 2015	463,362,818	463,362,818
Upon full exercise of all Outstanding Warrants	-	175,873,519
	463,362,818	639,236,337
Proposed Renewal (assuming that all the Digistar Shares purchased are fully cancelled)	(46,336,282)	(63,923,634)
Resultant share capital	417,026,536	575,312,703

Note
** includes the 7,372,808 Digistar Shares purchased and held as treasury shares as at 31 January 2015.*

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 Share 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 share 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.

STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

(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 2014. Barring unforeseen circumstances, the dividends to be declared by Digistar, if any, in respect of the current financial year ending 30 September 2015 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.

8. Implication of the Malaysian Code on Take-Overs and Mergers 2010 (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 9, Paragraph 24.1 of the Code.

As at, the collective percentage shareholding of the sole direct substantial shareholder of Digistar, Kenanga Lampiran Sdn Bhd (“Kenanga”), and parties acting in concert (“PAC”) is 23.61%. Based on their collective shareholdings as at and assuming Kenanga 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 Kenanga 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, Kenanga and PAC are required to seek SC’s approval for a waiver from the obligation to undertake a GO under Practice Note 9, Paragraph 24.1 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 2014, the Company did not purchase any Digistar Shares from the open market.

STATEMENT TO THE SHAREHOLDERS

IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD OF ITS OWN ORDINARY SHARE

10. Public shareholding Spread

According to Digistar's Record of Depositors as at 31 January 2015 and based on the substantial Shareholders' filling with the Company as at 31 January 2015, the public shareholding of the Company is 76.39%.

Based on the issued and paid up share capital of the Company as at 31 January 2015 and the maximum scenario, the public shareholding spread of the Company is expected to be reduced to 73.72% and increase to 77.56% respectively 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 31 January 2015. 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 Share 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 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 corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code an Corporate Governance 2102 ("MCCG2012") and observed the 26 Recommendations supporting the Principles during the financial period from 1 October 2013 to 30 September 2014 ("financial period") following the release of the MCCG 2012 by the Securities Commission in late March 2012. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial period under review, the non-observation, including the reasons thereof and where appropriate, the alternative practice, if any, is mentioned in this statement.

Principle 1 – Establish clear Roles and Responsibilities of the Board and Management

The Board recognizes the key role it plays in charting the strategic direction of the Company and has assumed the following principle responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company's, which also addresses the sustainability of the Group's business;
- overseeing the conduct of the Company's and subsidiaries ("Group") business and evaluating whether or not its business are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient caliber, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committee, namely the Audit Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

The Board has establish clear functions reserved for the Board and those delegated to Management to enhance accountability. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include. Inter–alia, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group's financial statements and operating performance. Such delineation of roles is clearly set out in the Board Charter ("Charter"), which serves as a reference point for the Board activities. The Charter provides guidance for directors and Management regarding the responsibilities of the Board, its Committees and management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The salient features of the Charter are disclosed in the Company's website at www.boilermech.com in line with recommendation 1.7 of the MCCG 2012.

(ii) Code of Ethics

At the date of this statement, the Board has formalized a Director's Code of Ethics, setting out the standards of conduct expected from Directors. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees.

The Board has also formalized a Whistle-blowing Policy, with the aim of providing an avenue for raising concerns relating to possible breaches of business conduct, noncompliance of laws and regulatory requirements as well as other malpracitces. The board recognizes the importance of adhering to the Code of Ethics and has taken measures to put in place a process to ensure its compliance.

STATEMENT OF CORPORATE GOVERNANCE

(iii) Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations. The Group's activities on corporate social responsibilities for the financial period under review are disclosed Report in the Corporate Social Responsibility Report section of this Annual Report.

(iv) Access to Information and Advice

Directors are provided with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experience and competent on statutory and regulatory requirements and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

Principle 2 – Strengthen Composition of the Board

During the financial period under review, the Board consisted of seven (7) members, comprising four (4) Executive directors and Three (3) independent Non-Executive Directors. This composition fulfills the requirements as set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent. The profile of each Director is set out in the Directors' Profile section of this Annual Report. The Directors, with their diverse backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as engineering, entrepreneurship, finance, taxation, accounting and audit; legal and economics.

(i) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee conducted an assessment of the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Directors, based on a self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considered and approved the recommendations on the reelection and re-appointment of Directors at the Company's forthcoming annual General Meeting.

The Nomination Committee recognizes the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The Nomination Committee comprises the following members:

- Tan Sri Datuk Mohd Zaman Khan @ Hassan B Rahim Khan (Independent Non-Executive Chairman);
- Dato' Haji Ishak Bin Haji Mohamed (Senior Independent Non-Executive Director); and
- See Tai Soon (Independent Non-Executive Director)

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, assessing and recommending to the Board the candidacy of Directors, appointment of Directors to Board Committees and training programmers for the Board. The terms of reference require the Nomination Committee to review annually the required mix of skills and experience of Directors; succession plans and board diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which the independent Non-Executive Directors should bring to the Board, The Committee is also entrusted to assess annually the effectiveness of the Board, as a whole, Board Committees and contribution of each individual Director. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of candidates' suitability is solely based on their competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

STATEMENT OF CORPORATE GOVERNANCE

(ii) Directors' Remuneration

The Remuneration Committee, established by the Board, is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned. Directors do not participate in discussion of their individual remuneration.

Details of the aggregate remuneration of the Directors for the financial year ended 30 September 2014 were as follows:

	Group			
Remuneration Components	Executive Directors	Non-Executive Directors	Total 2014	Total 2013
Fees	-	-	-	-
Salaries	1,732,500	-	1,732,500	1,676,000
Bonuses	-	-	-	-
EPF	205,457	-	205,457	201,710
Allowance	-	81,500	81,500	243,948
Total	1,937,957	81,500	2,019,457	2,121,658

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

	Group	
Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	1	2
RM50,001 to RM100,000	1	1
RM450,001 to RM500,000	1	-
RM1,300,001 to RM1,350,000	1	-
Total	4	3

Principle 3 – Reinforce Independence of the Board

The positions of Chairman and Chief Executive officer of the Company are held by the Non-Independent Non-Executive Chairman and Managing Director respectively. The Board is aware of the MCCG 2012 which recommends the appointment of an Independent Non-Executive Director as Board Chairman. The Board is nonetheless of the view that the composition of Independent Non-Executive Directors, which fulfill the Listing Requirements of Bursa, coupled with the use of Board Charter that formally sets out the schedule of matters reserved solely to the Board for decision making, provides for the relevant check and balance on boardroom decisions.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at board meetings to ensure that contributions from Directors and forthcoming on matters being deliberated and that no Board member dominates discussion. As the Managing Director, supported by fellow Executive Directors and an Executive Management team, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring the bear objective and independent views, advice and judgment on interest, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

STATEMENT OF CORPORATE GOVERNANCE

During the financial period under review, the Board assessed the independence of its independent Non-Executive directors based on criteria set out in the Listing Requirements of Bursa. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Director based on the criteria on independence as adopted by the Board.

At the date of this Statement, none of the Independent directors has exceeded the 9-year independence tenure.

Principle 4 – Foster Commitment of Directors

The Board ordinarily meets at least (4) times a year, scheduled well in advance before the end of the proceeding financial period to facilitate the Directors in planning their meeting schedule for the year. Additional meeting are convened when urgent and important decisions need to be made between schedule meetings. Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly board Meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial period under review, the board convened four (4) scheduled Board meetings attended by the Directors as follows:

Directors	Note	Attendance
Datuk Md sirat Bin Abu (resigned on 28.1.2014)	#	0/1
Tan Sri Datuk Mohd Zaman Khan @ Hassan B Rahim Khan (Chairman)	α	4/5
Mejar (K) Datuk Wira Lee Wah Chong	*	5/5
Ong Fee Chong (resigned on 10.2.2015)	Ω	4/5
Cheong Yee Kiong (resigned on 26.11.2013)	β	0/1
Dato's Haji Ishak Bin Haji Mohamed	#	5/5
Lee Mely	*	5/5
Lee Jin Jean	*	5/5
See Tai Soon (appointed on 28.1.2014)	#^	4/4

\# *Denotes Independent Non-Executive Director*
* *Denotes Executive Director*
^ *Appointed as Director of the Company 28 January 2014*
α *Resigned as Director on 28.1.2014*
β *Resigned as Director on 26.11.2013*
Ω *Resigned as Executive Director on 10.2.2015*

All other directors have complied with the minimum 50% attendance requirements in respect of board meetings as stipulated by the Listing Requirements of Bursa Malaysia Bursa Malaysia Securities Berhad ("Bursa Securities")

As stipulated in the Board Charter, the Directors shall devote sufficient time and efforts to carry out their responsibilities. The board shall obtain this commitment from Directors at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

Directors Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the group.

STATEMENT OF CORPORATE GOVERNANCE

All directors have attended the Mandatory Accreditation Programme ("MAP") as required by the MMLR on all directors of listed companies and the Board will continue to evaluate and determine the training needs of its Directors on the on-going basis. During the year, the Directors have attended various seminars or briefings which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

Among the seminars or briefings attended by one or more Directors during the year were:-

- IFCA Software for Property Management – user training program organized by IFCA Consulting Group.
- IFCA Software for Goods and Service Tax (GST) – user training program organized by IFCA Consulting Group.
- Goods and Service Tax Training – Training was presented by Crowe Horwath

The Company Secretaries circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The Accountant and External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statement during the financial period under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

Principle 5 – Uphold integrity in financial reporting by the Company

It is the Boards commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial period, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended. To assist in its discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Independent Non-Executive Directors, with Tan Sri Datuk Mohd Zaman Khan @ Hassan B Rahim Khan as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report section of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self review" threat faced by the external audit firm, the procedures included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Principle 6 – Recognise and manage risks of the Group

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represents the key elements of the risk management and internal control structure:

a) The establishment of a Risk Management Unit ("RMU") which is entrusted to ensure the implementation of an effective risk management system and to review the adequacy and integrity of the Group's internal control and management information system.

b) An organizational structure in the Company with formally defined lines of responsibility and delegation of authority.

c) Review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

STATEMENT OF CORPORATE GOVERNANCE

d) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment; and

e) Active participation and involvement by the Managing Director, supported by his fellow Executive Directors in the day-to-day running of the major businesses and regular discussions with senior management personnel on operational issues.

f) Monthly financial reporting by the subsidiaries to the holding company.

Recognising the importance of having risk management processes and practices, the Board has formalized a risk management framework to enable Management to identify, evaluate, control, monitor and report to the Board the principle business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Company outsourced its internal audit function to an independent professional firm to assess the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The internal audit function, which reports directly to the Audit Committee, is guided by professional standards promulgated by the institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit function is independent of the activities it audits and the scope of work covered by the internal audit during the financial period under review is provided in the Audit committee Report section of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board has adopted and formalized pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa , but also setting out the persons authorize and responsible to approve and disclose material information to regulators, shareholders and stakeholders. To augment the process of disclosure, the Board has earmarked a section on the Company's website, where information on the Company's announcement to the regulators, the salient features of the Board Charter and the Company's Annual Report may be accessed.

Principle 8 – Strengthen relationship between the Company and its shareholders

i) Shareholder participation at general meeting

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management. The Notice of AGM is circulated at least twenty-one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM is announced to Bursa on the same meeting day.

ii) Communication and engagement with shareholders and prospective investors

The Board recognizes the importance of being transparent and accountable to the Company's shareholders and prospective investors. The carious channels of communication are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meeting and access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. digista@digistar.com.my to which shareholders can direct their queries or concerns.

COMPLIANCE WITH CODE

The company has complied with the Malaysian Code on Corporate Governance and observed its best practices throughout the year.

This Statement is issued in accordance with a Board resolution date 26 February 2015.

ADDITIONAL COMPLIANCE INFORMATION

In conformance with Main Market Listing Requirement, the following information is provided:

1. STATUS OF UTILISATION OF PROCEEDS

A. RIGHT ISSUE WITH WARRANTS

On 4 December 2012, the Company announced to undertake a renounceable rights issue of up to 137,664,390 Rights Shares on the basis of two (2) Rights Shares for every five (5) existing Digistar Shares held, together with up to 103,248,292 free Warrants on the basis of three (3) free Warrants for every four (4) Rights Shares subscribed for, based on an entitlement date to be determined later.

On 1 April 2013, the Company had announced the results of the acceptance for the Rights Issue. As at the close of acceptance and payment for the Rights Issue with Warrants at 5.00 p.m. on 28 March 2013, the total acceptances and excess applications for the Rights Issue with Warrants were 135,961,938 Rights Shares, which represents an over-subscription of 37.75% over the total number of 98,699,136 Rights Shares available for subscription under the Rights Issue with Warrants. On 11 April 2013, the Company had announced that 98,699,136 Rights Shares and 74,024,334 Warrants issued pursuant to the Rights Issue with Warrants and 11,808,860 additional 2007/ 2017 warrants of Digistar ("Warrant(s) A") issued pursuant to the adjustments to the outstanding Warrants A as a consequence of the Rights Issue with Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Thursday, 11 April 2013, marking the completion of the Rights Issue with Warrants.

As of 30 September 2014, the Company has utilised the proceeds raised of RM19.74 million as follow:

Details of Utilisation	Timeframe for utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Amount Unutilise RM'000
Business expansion	within 24 months	3,500	970	2,530
General working capital	within 24 months	13,452	13,452	-
Repayment of bank borrowings	within 6 months	2,200	2,200	-
Estimated expenses in relation to the corporate exercises	upon completion	587	587	-
		19,739	17,209	2,530

B. PRIVATE PLACEMENT

(i) On 20 January 2014, the first tranche of Private Placement of 34,544,695 new ordinary share of RM0.10 each were allotted by the Company at a price of RM0.23 per share to certain identified investors, pursuant to the Company's private placement exercise. The private placement of 34,544,695 Placement Shares were granted listing and quoted on the Main Market of Bursa Malaysia Securities Berhad on 30 January 2014, making the completion of the frist tranche of Private Placement.

On 17 March 2014, the second tranche of Private Placement of 34,544,700 new ordinary share of RM0.10 each were allotted by the Company at a price of RM0.20 per share to certain identified investors, pursuant to the Company's private placement exercise. The private placement of 34,544,700 Placement Shares were granted listing and quoted on the Main Market of Bursa Malaysia Securities Berhad on 26 March 2014, making the completion of the second tranche of Private Placement.

ADDITIONAL COMPLIANCE INFORMATION

As of 30 September 2014, the company has already utilized all the proceeds raised of RM14.85 million as follow:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Amount Unutilise RM'000
Working capital	1,205	1,205	-
Defraying of expenses incidental to the placement	280	280	-
Total	1,485	1,485	-

(ii) On 23 June 2014, Digistar proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of Digistar, at an issue price to be determined later. On 27 June 2014, Bursa has approved the listing of and quotation for up to 59,778,270 new ordinary shares of RM0.10 each in Digistar to be issued pursuant to the Propose Placement. The Proposed Private Placement was duly passed by Digistar's shareholders at the EGM on 9 January 2014.

On 23 October 2014, Digistar has fixed the issue price for the first tranche of Private Placement comprising 41,453,637 new ordinary shares of RM0.10 each in Digistar at RM0.22 per Placement Shares. The issue price of RM0.22 per Placement Share represents a discount of 8.52% to the five (5)-day weighted average market price of Digistar Shares up to and including 21 October 2014 of RM0.2405 per Digistar Shares.

On 4 November 2014, the 41,453,637 Placement Shares were granted listing quotation on the Main Market of Bursa Malaysia Securities Berhad and marking the completion of the Private Placement.

On 4 November 2014, the 41,453,637 Placement Shares were granted listing quotation on the Main Market of Bursa Malaysia Securities Berhad and marking the completion of the Private Placement.

As of 31 December 2014, the company has already utilized all the proceeds raised of RM9.12 million as follow:

Details of Utilisation	Timeframe for utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Amount Unutilise RM'000
General working capital	within 24 months	8,890	7,730	1,160
Defraying of Expenses incidental to the placement	upon completion	230	45	185
		9,120	7,775	1,345

ADDITIONAL COMPLIANCE INFORMATION

2. TREASURY SHARES

	The Group/ The Company			
	2014	2013	2014	2013
	NUMBER OF SHARES	RM	RM	RM'000
At 1 October 2013/2012	7,372,808	7,372,808	3,248,747	3,248,747
Purchase during the financial year	-	-	-	-
At 30 September 2014/2013	7,372,808	7,372,808	3,248,747	3,248,747

Of the total 421,909,181,(2013 – 352,819,786) issued and fully paid ordinary shares as at the end of the reporting period, 7,372,808 (2013 - 7,372,808) ae held as treasury shares by the company. None of the treasury shares were cancelled during the financial year.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no exercise of options, warrants or convertible securities during the financial year ended 30 September 2014.

4. DEPOSITORY RECEIPTS PROGRAMME

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

5. IMPOSITION OF SANCTIONS / 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 has prepared cash flow and profit projections for annual impairment of goodwill.

There was no significant variance between the profit after tax and minority interest for the financial year ended 30 September 2014 as per the audited financial statements and the unaudited results previously announced.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company has prepared cash flow and profit projections for annual impairment of goodwill.

8. PROFIT GUARANTEE

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

9. MATERIAL CONTRACTS

There was no material contracts other than those in the ordinary course of business entered into by the Company or its subsidiary companies involving the directors' and major shareholders' interests during the financial year.

10. REVALUATION POLICY ON LANDED PROPERTIES

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

11. NON-AUDIT FEES

There was RM31,616 of non-audit fees incurred by the Group during the financial year, in respect to the external auditors.

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 2014. 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.

1. COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The Audit Committee currently comprises the following members:-

Chairman	Tan Sri Datuk Mohd Zaman khan @ Hassan B Rahim Khan	(independent Non-Executive Chairman)
Members	Dato's Haji Ishak Bin Haji Mohamed	(Senior Independent Non- Executive Director)
	See Tai Soon	(Independent Non- Executive Director)

2. TERMS OF REFERNCE

The Terms of Reference of the Audit Committee had been revised to be in line with the Malaysia Code on corporate Governance ("Code") and amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Market ("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 Malaysia Institute of Accountants, he must have at least 3 years' working experience and;

(i) He/ she must have passed the examination specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

(ii) He/ she must be a member of the associations of accountants as specified in Part II of the 1st Schedule of the Accountant 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 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 the Committee Members.

AUDIT COMMITTEE REPORT

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.

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.

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.

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 of 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 recommendation;
- Interim financial information; and
- The assistance given by the officers of the Company to external auditors.

AUDIT COMMITTEE REPORT

(vi) To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on arm's length basis and normal commercial terms and on terms not more favorable 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 of the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(vii) To review the quarterly report on consolidated results and annual financial statement 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 of person 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.

3. MEETINGS

There were four (4) Audit Committee meeting held during the financial year ended 30 September 2014, the details of the attendance are as follows:

Directors	Attendance
Tan Sri Datuk Mohd Zaman Khan @ Hassan Bin Rahim Khan (Independent Non-Executive Chairman)	4/5
Dato's Haji Ishak Bin Haji Mohamed (Senior Independent Non-Executive Director)	4/5
See Tai Soon (Independent Non-Executive Director)	4/4
Datuk Md. Sirat Bin Abu (resigned on 28.1.2014)	0/1
Cheong Yee Kiong (resigned on 26.11.2013)	0/1

4. SUMMARY OF ACTIVITIES

During the financial year ended 30 September 2014, the Audit Committee met with the external auditor twice to discuss any matters without the presence of the executive board members of the Company.

The Accountant, Internal Auditors, External Auditors and other Board Members have attended the audit committee meeting during the year as and when they were invited.

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 2014 in the discharge of its functions and duties, including the deliberation and review of:

a) the unaudited quarterly financial statement 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.

b) the audit plan of the external auditors in terms of their scope of audit prior to their commencement of their annual audit.

c) 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.

AUDIT COMMITTEE REPORT

d) The new development and updates on Financial Reporting Standards issued by the Malaysia Accounting Standards Board and their impact on the Group.

e) The Audit Committee report and Statement on Internal Control for compliance with the Code and MMLR before recommending to the Board for approval.

f) The audited financial statements of the Group and the Company prior to submission on the Board of Directors for consideration and approval.

g) The related party transactions and potential conflict of interest situation that may have arisen within the Company or Group.

h) The external audit fees for the financial year ended 30 September 2014 and recommended the same for the approval of the Board of Directors.

i) The re-appointment of the external auditors with the consultation of the management and recommendation to the Board of Directors for approval.

5. INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to an independent consulting firm. 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 and reviewing the effectiveness of the risk management internal control and governance processes within the Group. The scope of the internal audit function covers the audits of all units and operations of the Group.

During the financial year ended 30 September 2014, the internal auditors had conducted risk management assessment in relation to Digistar Group's operations.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 30 September 2014 was RM8,570.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Based on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), a listed corporation must establish an internal audit function which is independent of the activities it audits and reports 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.

The Board of Directors of Digistar Corporation Berhad is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

In accordance with the Malaysian Code on Corporate Governance 2012, 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 risk management for the continuing review of its adequacy, effectiveness and integrity. Additionally, the Managing Director and the Accountant have given assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively to meet the Group's objectives.

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 has formalised the Group's risk management framework in which the existence of significant risks of the Group has been identified and quantified. A risk profile of the Group has been compiled to help the Board and senior management to prioritise their focus on areas of high risk.

The senior management is responsible for identifying, evaluating, managing and reporting on significant risks on an ongoing basis faced by the Group in its achievement of objectives and strategies. 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, Finfield Corporate Services Sdn Bhd, to provide the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

Internal audit assignments were carried out during the financial year under review based on a risk-based audit approach. The internal auditors reported their audit findings and recommendations to the Audit Committee members during Audit Committee meeting.

In the year under review, the following reviews on Digistar Group's operations were undertaken by the internal auditors:

- Human resource management – payroll
- Human resource management – staff development
- Revenue
- Accounts receivable

The findings arising from the above reviews have been reported to the management for their response and subsequently for the Audit Committee deliberation. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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 define 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 attended by employees with the objective of enhancing their knowledge and competency; and

iv) Management accounts and reports are prepared regularly for the monitoring of operational and financial performances.

The internal control system will continue to be reviewed, added on or updated in line with the changes in the Group's 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 controls that would require disclosure in this annual report.

CONCLUSION

Based on inquiry, information and assurance provided by the Managing Director and the Accountant, the Board is of the opinion that the systems of risk management and internal control were been in place for the year under review and up to the date of approval of Statement on Risk Management and Internal Control for inclusion in the annual report, was generally satisfactory and adequate for its purpose. There will be continual focus on measures to protect and enhance shareholders' value and business sustainability.

This statement was approved by the board of director on 26 February 2015.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

STATEMENT OF DIRECTORS'S RESPONSIBLITIES

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 2014 and the financial performance and cash flows 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 2014, the Directors have:

a) adopted the relevant and appropriate accounting policies consistently;

b) made judgments 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.

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FINANCIAL STATEMENT

DIRECTOR'S 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 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 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
Loss after taxation for the financial year	(13,776,320)	(1,437,609)
Attributable to:-		
Owners of the Company	(5,648,196)	(1,437,609)
Non-controlling interest	(8,128,124)	-
	(13,776,320)	**(1,437,609)**

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 share capital;

(b) the Company increased its issued and paid-up share capital from RM35,281,979 to RM42,190,918 by

  (i) the issuance of 34,544,695 new ordinary shares of RM0.10 each at an issue price of RM0.23 per share for the purpose of working capital. The shares were issued for cash consideration; and

  (ii) the issuance of 34,544,700 new ordinary shares of RM0.10 each at an issue price of RM0.20 per share for the purpose of working capital. The shares were issued for cash consideration.

  All the new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

(c) there were no issues of debentures by the Company.

DIRECTOR'S REPORT

TREASURY SHARES

During the financial year, the Company held as treasury shares a total of 7,372,808 of its 421,909,181 issued and fully paid-up ordinary shares, at a carrying amount of RM3,248,747. None of the treasury shares held were cancelled during the financial year.

The details of the treasury shares are disclosed in Note 19 to the financial statements.

WARRANTS 2007/2017

At the end of the reporting period, the Company had 101,849,185 Warrants 2007/2017 in issue. The salient features of 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	RM0.13 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.

None of the Warrants 2007/2017 in issue was exercised during the financial year.

DIRECTOR'S REPORT

WARRANTS 2013/2023

At the end of the reporting period, the Company had 74,024,334 Warrants 2013/2023 in issue. The salient features of Warrants 2013/2023 as constituted in the Deed Poll dated 4 March 2013 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 4 April 2023. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	RM0.26 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 11 April 2013 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.

None of the Warrants 2013/2023 in issue was exercised during the financial year.

DIRECTOR'S REPORT

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 impairment losses on receivables, and satisfied themselves that there are no bad debts and that adequate allowance had been made for impairment losses on receivables.

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 impairment losses on receivables 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.

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 of the Company are disclosed in Note 41 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.

DIRECTOR'S REPORT

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:-

MEJAR (K) DATUK WIRA LEE WAH CHONG
ONG FEE CHONG
DATO' HAJI ISHAK BIN HAJI MOHAMED
LEE MELY
TAN SRI DATUK MOHD ZAMAN KHAN @ HASSAN B RAHIM KHAN
LEE JIN JEAN
SEE TAI SOON (APPOINTED ON 28.1.2014)
DATUK MD. SIRAT BIN ABU (RESIGNED ON 28.1.2014)
CHEONG YEE KIONG (RESIGNED ON 26.11.2013)

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 1.10.2013	Allotted	Sold	At 30.9.2014
Direct Interests				
MEJAR (K) DATUK WIRA LEE WAH CHONG	27,363,149	5,391,000	-	32,754,149
ONG FEE CHONG	2,128,161	-	-	2,128,161
Indirect Interest				
MEJAR (K) DATUK WIRA LEE WAH CHONG (1), (2)	63,490,873	8,358,400	320,400	71,528,873

	Number Of Warrants 2007/2017			
	At 1.10.2013	Allotted	Sold	At 30.9.2014
Direct Interest				
ONG FEE CHONG	1,357,450	-	-	1,357,450
Indirect Interest				
MEJAR (K) DATUK WIRA LEE WAH CHONG (1)	684,399	-	684,399	-

DIRECTOR'S REPORT

	Number Of Warrants 2013/2023			
	At 1.10.2013	Alloted	Sold	At 30.9.2014
Direct Interests				
MEJAR (K) DATUK WIRA LEE WAH CHONG	4,783,981	-	-	4,783,981
ONG FEE CHONG	456,034	-	-	456,034
Indirect Interest				
MEJAR (K) DATUK WIRA LEE WAH CHONG (1), (2)	13,605,186	-	-	13,605,186

(1) Deemed interested by virtue of his shareholding in Kenangan Lampiran Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(2) Deemed interested by virtue of his spouse shareholding pursuant to Section 134(12)(C) of the Company Act, 1965.

By virtue of his interests in shares in the Company, Mejar (K) Datuk Wira Lee Wah Chong is 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.

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.

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.

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 43 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors
dated 28.11.2014

Mejar (K) Datuk Wira Lee Wah Chong

Lee Mely

STATEMENT BY DIRECTORS

We, Mejar (K) Datuk Wira Lee Wah Chong and Lee Mely, being two of the directors of Digistar Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 61 to 132 are drawn up in accordance with Financial Reporting Standards and the requirements of 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 at 30 September 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 44, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors
dated 28.11.2014

Mejar (K) Datuk Wira Lee Wah Chong **Lee Mely**

STATUTORY DECLARATION

I, Phua Wai Kit, I/C No. 730803-14-5305, being the officer primarily responsible for the financial management of Digistar Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 61 to 132 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
Phua Wai Kit, I/C No. 730803-14-5305
at Kuala Lumpur in the Federal Territory on this 28.11.2014

Phua Wai Kit

Before me

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 statements of financial position as at 30 September 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 61 to 132.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as of 30 September 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD
(Incorporated in Malaysia) Company No: 603652 - K

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 have been properly kept in accordance with the provisions of the Act.

(b) 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.

(c) Our 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 Reporting Responsibilities

The supplementary information set out in Note 44 on page 133 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chua Wai Hong
Approval No: 2974/09/15 (J)
Chartered Accountant

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AT 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	34,690,331	20,806,206
Property, plant and equipment	6	8,096,341	6,610,403	-	-
Investment property	7	10,340,149	8,129,652	-	-
Goodwill	8	1,514,295	1,514,295	-	-
Intangible asset	9	5,002,401	-	-	-
Deferred tax asset	10	590,689	-	-	-
		25,543,875	16,254,350	34,690,331	20,806,206
CURRENT ASSETS					
Inventories held for resale	11	3,388,640	1,819,438	-	-
Property development costs	12	37,567,410	2,718,021	-	-
Accrued billings	12	2,889,204	2,543,436	-	-
Trade receivables	13	23,529,844	13,500,948	-	-
Other receivables, deposits and prepayments	14	7,739,964	4,890,995	8,744	8,744
Amounts owing by contract customers	15	36,153,451	17,849,598	-	-
Amounts owing by subsidiaries	16	-	-	63,733,395	43,159,854
Tax refundable		-	3,715,102	109,300	236,144
Fixed deposits with licensed banks	17	199,295,462	268,911,284	-	-
Cash and bank balances		32,245,113	8,176,639	404,669	257,532
		342,809,088	324,125,461	64,256,108	43,662,274
TOTAL ASSETS		368,352,963	340,379,811	98,946,439	64,468,480

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

STATEMENTS OF FINANCIAL POSITION
AT 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	42,190,918	35,281,979	42,190,918	35,281,979
Treasury shares	19	(3,248,747)	(3,248,747)	(3,248,747)	(3,248,747)
Reserves	20	35,721,445	33,655,942	38,576,570	32,300,480
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		74,663,616	65,689,174	77,518,741	64,333,712
Non-controlling interest		(6,054,965)	2,413,633	-	-
TOTAL EQUITY		68,608,651	68,102,807	77,518,741	64,333,712
NON-CURRENT LIABILITY					
Hire purchase payables	21	1,378,751	795,264	-	-
Bonds	22	259,094,861	255,744,761	-	-
		260,473,612	256,540,025	-	-
CURRENT LIABILITIES					
Trade payables	23	14,362,080	2,879,538	-	-
Other payables, deposits received and accruals	24	7,782,847	4,859,616	85,790	121,415
Amounts owing to contract customers	15	7,537,599	5,802,549	-	-
Amounts owing to subsidiaries	16	-	-	21,328,555	-
Amount owing to a related party	25	13,798	13,353	13,353	13,353
Provision for taxation		1,825,823	11,000	-	-
Hire purchase payables	21	677,111	582,032	-	-
Bankers' acceptances	26	6,086,000	443,000	-	-
Term loan	27	103,125	-	-	-
Bank overdrafts	28	882,317	1,145,891	-	-
		39,270,700	15,736,979	21,427,698	134,768
TOTAL LIABILITIES		299,744,312	272,277,004	21,427,698	134,768
TOTAL EQUITY AND LIABILITIES		368,352,963	340,379,811	98,946,439	64,468,480
NET ASSETS PER ORDINARY SHARE	29	18 sen	19 sen		

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
REVENUE	30	109,710,473	48,289,263	400,000	611,179
COST OF SALES		(81,355,279)	(39,914,852)	-	-
GROSS PROFIT		28,355,194	8,374,411	400,000	611,179
OTHER INCOME		10,609,884	2,929,565	-	-
		38,965,078	11,303,976	400,000	611,179
ADMINISTRATIVE EXPENSES		(19,758,372)	(14,145,509)	(351,936)	(368,343)
MARKETING EXPENSES		(2,492,343)	(1,777,346)	-	-
OTHER EXPENSES		(8,896,345)	(7,001,515)	(1,583,409)	(188,103)
FINANCE COSTS		(19,165,750)	(247,365)	(264)	(282)
		(50,312,810)	(23,171,735)	(1,935,609)	(556,728)
(LOSS)/PROFIT BEFORE TAXATION	31	(11,347,732)	(11,867,759)	(1,535,609)	54,451
INCOME TAX EXPENSE	32	(2,428,588)	428,567	98,000	(106,569)
LOSS AFTER TAXATION		(13,776,320)	(11,439,192)	(1,437,609)	(52,118)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(13,776,320)	(11,439,192)	(1,437,609)	(52,118)

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(5,648,196)	(10,826,569)	(1,437,609)	(52,118)
Non-controlling interest		(8,128,124)	(612,623)	-	-
		(13,776,320)	(11,439,192)	(1,437,609)	(52,118)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-					
Owners of the Company		(5,648,196)	(10,826,569)	(1,437,609)	(52,118)
Non-controlling interest		(8,128,124)	(612,623)	-	-
		(13,776,320)	(11,439,192)	(1,437,609)	(52,118)
Loss per ordinary share	33				
- basic		(1.46) sen	(3.67) sen		
- diluted		(1.40) sen	(3.06) sen		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

The Group	Note	Share Capital	← Non-Distributable Reserve → Share Premium	Warrants Reserve	Treasury Shares	Distributable Reserve Retained Profits	Total	Non-controlling Interest	Total Equity
		RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1.10.2012		25,412,065	13,354,858	503,064	(3,248,747)	21,341,439	57,362,679	28,953	57,391,632
Contributions by owners of the Company:									
- Issuance of shares	18 & 20(a)	9,869,914	3,681,480	6,188,434	-	-	19,739,828	-	19,739,828
- Share issuance expenses	20(a)	-	(402,817)	(183,947)	-	-	(586,764)	-	(586,764)
- Issuance of share capital of subsidiaries to non-controlling interest		-	-	-	-	-	-	2,999,940	2,999,940
- Acquisition of a subsidiary	34	-	-	-	-	-	-	(2,637)	(2,637)
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(10,826,569)	(10,826,569)	(612,623)	(11,439,192)
Balance at 30.9.2013/1.10.2013		35,281,979	16,633,521	6,507,551	(3,248,747)	10,514,870	65,689,174	2,413,633	68,102,807
Contributions by owners of the Company:									
- Issuance of shares	18 & 20(a)	6,908,939	7,945,280	-	-	-	14,854,219	-	14,854,219
- Share issuance expenses	20(a)	-	(231,581)	-	-	-	(231,581)	-	(231,581)
- Acquisition of a subsidiary	34	-	-	-	-	-	-	(340,474)	(340,474)
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(5,648,196)	(5,648,196)	(8,128,124)	(13,776,320)
Balance at 30.9.2014		42,190,918	24,347,220	6,507,551	(3,248,747)	4,866,674	74,663,616	(6,054,965)	68,608,651

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

The Company	Note	Share Capital RM	Non-Distributable Reserve: Share Premium RM	Non-Distributable Reserve: Warrants Reserve RM	Non-Distributable Reserve: Treasury Shares RM	Distributable Reserve: Retained Profits RM	Total RM
Contributions by owners of the Company:							
Balance at 1.10.2012		25,412,065	13,354,858	503,064	(3,248,747)	9,211,526	45,232,766
- Issuance of shares	18 & 20(a)	9,869,914	3,681,480	6,188,434	-	-	19,739,828
- Share issuance expenses	20(a)	-	(402,817)	(183,947)	-	-	(586,764)
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(52,118)	(52,118)
Contributions by owners of the Company:		35,281,979	16,633,521	6,507,551	(3,248,747)	9,159,408	64,333,712
Balance at 30.9.2013/1.10.2013							
- Issuance of shares	18 & 20(a)	6,908,939	7,945,280	-	-	-	14,854,219
- Share issuance expenses	20(a)	-	(231,581)	-	-	-	(231,581)
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(1,437,609)	(1,437,609)
Balance at 30.9.2014		42,190,918	24,347,220	6,507,551	(3,248,747)	7,721,799	77,518,741

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CASH FLOWS FOR OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(11,347,732)	(11,867,759)	(1,535,609)	54,451
Amortisation of intangible asset		42,036	-	-	-
Amortisation of investment properties		160,651	143,330	-	-
Bad debts written off		-	6,158	-	-
Depreciation of property, plant and equipment		1,930,850	2,004,187	-	-
Impairment losses on:					
- receivables		6,570,763	2,694,994	-	-
- amount owing by a subsidiary		-	-	-	180,907
- property, plant and equipment		-	2,143,863	-	-
- investment in subsidiaries		-	-	1,583,409	-
Interest expense		19,058,252	164,018	-	-
Property, plant and equipment written off		175,863	-	-	-
(Gain)/loss on disposal of:					
- property, plant and equipment		(141,729)	39,545	-	-
- other investment		-	7,196	-	7,196
Accretion of payables		(502,891)	(127,866)	-	-
Accretion of receivables		(37,342)	(294,323)	-	-
Dividend income		-	-	(400,000)	(611,179)
Interest income		(8,844,496)	(559,741)	-	-
Reversal of impairment loss on property, plant and equipment		(279,597)	-	-	-
Write-back of impairment losses on receivables		(628,966)	(1,830,653)	-	-
Operating profit/(loss) before working capital changes		6,155,662	(7,477,051)	(352,200)	(368,625)
(Increase)/Decrease in inventories		(1,569,202)	785,894	-	-
(Increase)/Decrease in property development costs		(34,849,389)	2,758,363	-	-
Net decrease in amount owing to contract customers		(16,568,803)	(1,551,791)	-	-
Increase in trade and other receivables		(18,219,170)	(2,828,860)	-	(4,844)
Increase/(Decrease) in trade and other payables		15,756,092	2,422,095	(35,625)	(39,205)
Increase in accrued billings		(345,768)	(1,983,805)	-	-
CASH FLOWS FOR OPERATIONS/ BALANCE CARRIED FORWARD		(49,640,578)	(7,875,155)	(387,825)	(412,674)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CASH FLOWS FOR OPERATIONS/BALANCE CARRIED FORWARD		(49,640,578)	(7,875,155)	(387,825)	(412,674)
Interest paid		(19,058,252)	(164,018)	-	-
Tax refund/(paid)		2,539,648	(5,421,591)	224,844	-
NET CASH FOR OPERATING ACTIVITIES		(66,159,182)	(13,460,764)	(162,981)	(412,674)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Subscription of additional investment in a subsidiary		-	-	(707,388)	(750,000)
Dividend received		-	-	400,000	458,384
Net cash outflow for acquisition of a subsidiary	34	(3,588,849)	(1,499,938)	-	(1,500,000)
Interest received		8,844,496	559,741	-	-
Purchase of investment properties		(2,226,175)	(848,495)	-	-
Purchase of property, plant and equipment	35	(1,969,761)	(857,633)	-	-
Purchase of other investment		-	(1,289,651)	-	(1,289,651)
Proceeds from disposal of other investment		-	1,282,455	-	1,282,455
Proceeds from disposal of property, plant and equipment		208,547	100,050	-	-
Proceeds from issuance of shares to non-controlling interests		-	3,000,000	-	-
Advances to subsidiaries		-	-	(14,005,132)	(16,681,048)
Changing of deposit with maturity period more than three months to less than three months	36	124,215,052	-	-	-
Placement of fixed deposit with maturity period more than three months		-	(214,429,500)	-	-
Placement of fixed deposit pledged with licensed bank	36	(1,141,883)	(1,837,952)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		124,341,427	(215,820,923)	(14,312,520)	(18,479,860)
BALANCE CARRIED FORWARD		58,182,245	(229,281,687)	(14,475,501)	(18,892,534)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
BALANCE CARRIED FORWARD		58,182,245	(229,281,687)	(14,475,501)	(18,892,534)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		14,854,219	19,739,828	14,854,219	19,739,828
Net proceeds from issuance of bonds		-	255,744,761	-	-
Drawdown of term loans		7,500,000	-	-	-
Repayment of term loans		(7,396,875)	-	-	-
Repayment of hire purchase obligations		(760,421)	(733,108)	-	-
Repayment to subsidiaries		-	-	-	(75,497)
Repayment to related parties		(1,192)	-	-	-
Share issuance expenses		(231,581)	(586,764)	(231,581)	(586,764)
Net drawdown/(repayment) of bills payable		5,643,000	(468,000)	-	-
NET CASH FROM FINANCING ACTIVITIES		19,607,150	273,696,717	14,622,638	19,077,567
NET INCREASE IN CASH AND CASH EQUIVALENTS		77,789,395	44,415,030	147,137	185,033
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		59,674,580	15,259,550	257,532	72,499
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	137,463,975	59,674,580	404,669	257,532

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 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 28 January 2015.

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 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group 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 ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

FRSs and/or IC Interpretations (Including The Consequential Amendments)
FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of Interests in Other Entities
FRS 13 Fair Value Measurement
FRS 119 (2011) Employee Benefits
FRS 127 (2011) Separate Financial Statements
FRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to FRSs (2012)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except for FRS 12, which is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. FRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities	1 January 2014
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and/or interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of FRS 9.

(ii) The amendments to FRS 127 allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. These amendments have no material impact on the financial statements of the Company.

(iii) The amendments to FRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.There will be no financial impact on the financial statements of the Group upon its initial application.

(iv) The amendments to FRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(v) Annual Improvements to FRSs 2010 – 2012 Cycle. Generally there will be no impact on the financial statements except for the amendments to FRS 116 which will only affect the amount of accumulated depreciation of future revaluations.

(vi) Annual Improvements to FRSs 2011 - 2013 Cycle. Generally there will be no impact on the financial statements.

(vii) Annual Improvements to FRSs 2012 - 2014 Cycle. Generally there will be no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

3. BASIS OF PREPARATION (CONT'D)

3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 30 September 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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:-

(a) 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.

(b) 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.

(c) Impairment of Non-financial 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Construction Contracts

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

(i) 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.

(ii) 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.

(e) Classification Between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Write-down of 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.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(j) Property Development

The Group recognised property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by surveys of work performed.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations from 1 October 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Business combinations before 1 October 2011

All subsidiaries are consolidated using the purchase method. 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.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 October 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business combinations before 1 October 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, 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 as income immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(b) Transactions and Balances

Transactions in foreign currencies 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 end of the reporting period 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 recognised in profit or loss.

4.5 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group 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 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.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (CONT'D)

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary 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.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the 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 recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount 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:-

Leasehold land	Over the lease period of 90 years
Office lot, shophouse and office units	2%
Computers and printers	25%
Site office cabins	20%
Plant and machinery	20%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%
Motor vehicles	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of each reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 recognised in profit or loss.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (CONT'D)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period 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' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss 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 profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(c) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4.9 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 4.7 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 profit or loss over the period of the respective hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 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 4.7 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 profit or loss.

4.11 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. The Group assesses the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The useful life of the intangible asset of the group is 10 years.

4.12 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.

4.13 PROPERTY DEVELOPMENT COSTS

(a) Non-Current Property Development

Non-current property development costs consist of land and development costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are carried at cost less any accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Non-current property development costs are transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 PROPERTY DEVELOPMENT COSTS (CONT'D)

(b) Current Property Development

Current property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses recognised in profit or loss are determined by reference to the stage of completion of development activities at the end of the reporting period. The stage of completion is determined based on survey of work performed.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

4.14 PROGRESS BILLINGS/ACCRUED BILLINGS

In respect of progress billings:-

(i) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and

(ii) where billings to purchasers exceed the revenue recognised in profit or loss, the balance is shown as progress billings under current liabilities.

4.15 AMOUNTS OWING 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.

4.16 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition and construction of development properties, property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The effective interest expense accrued arising from the loan/bond obtained to finance the concession arrangement is recognised in profit or loss based on the effective interest method.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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 end of the reporting period.

Deferred tax is provided in full, using the liability method, on 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 profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to 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 end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination 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.

4.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, 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 with original maturity periods of three months or less.

During the current financial year, the Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 October 2013.

4.19 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in the profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.21 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 Group.

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

4.22 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:- (Cont'd)

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 CONCESSION ARRANGEMENT

The Group has concession arrangement with the Government of Malaysia ("the grantor") to design, develope, construct and complete the Facilities and Infrastructure for Jabatan Kerja Raya ("JKR") Training Institute ("concession asset") and to carry out the Asset Management Services for a concession period of 18 years and transfer the concession asset to the grantor at the end of concession periods. Such concession arrangements fall within the scope of IC Interpretation 12, services concession arrangement. Under IC 12, the revenue is recognised based on Note 4.24(a) and Note 4.24(f).

4.24 REVENUE RECOGNITION

(a) 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 the proportion that contract costs incurred for work performed to date bears to the estimated total contract costs. The change is based on a review and re-assessment performed by the directors and management over the nature of the transactions involved. The directors and management are of the view that the change is more relevant and reliable to reflect the economic substance of the transactions involved.

(b) Sale of Goods and Services

Revenue is recognised upon delivery of goods and customers' acceptance or performance of services.

(c) Rental Income

Rental income is recognised on an accrual basis.

(d) Interest Income

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

(e) Dividend Income

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

(f) Annual Lease Payment Fee Received

Annual lease payment fee received is recognised based on a monthly fixed fee and recognised when earned over the term of the concession.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.25 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RM	RM
Unquoted shares, at cost		
At 1 October 2013/2012	20,806,206	18,556,206
Addition	15,467,532	750,000
Acquisition	2	1,500,000
At 30 September 2014/2013	36,273,740	20,806,206
Accumulated impairment losses:-		
At 1 October 2013/2012	-	-
Addition during the financial year	(1,583,409)	-
At 30 September 2014/2013	(1,583,409)	-
	34,690,331	20,806,206

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Company	Equity Interest 2014	Equity Interest 2013	Principal Activities
Digistar Holdings Sdn. Bhd.	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. *	100%	100%	Renting, maintaining and upkeep of properties.
Digistar Rauland MSC Sdn. Bhd.	80%	80%	Health television operator.
Rauland Asia Sdn. Bhd.	100%	100%	Designing, supplying, installation and integration of security monitoring systems.
Nielsen Ward Sdn. Bhd.	100%	100%	Ceased operations.
Seni Pujaan Sdn. Bhd.	100%	100%	Property development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows (CONT'D):-

Name of Company	Equity Interest 2014	Equity Interest 2013	Principal Activities
Matang Makmur Holdings Sdn. Bhd.	100%	100%	Investment holding.
Indera Persada Sdn. Bhd. ^ @	40%	40%	Undertake the construction and provide asset management services for the concession asset.
Digistar Construction (M) Sdn. Bhd. # (Formerly known as Titanium Titan Sdn. Bhd.)	100%	-	Construction.
Protecs A&A CMS Sdn. Bhd. *#	70%	-	Central monitoring security services and trading of security equipment.

* Subsidiary held through Digistar Holdings Sdn. Bhd.
^ Subsidiary held through Matang Makmur Holdings Sdn. Bhd.
# Subsidiary acquired during the financial year.
@ Although the Group owns less than half of the voting power in Indera Persada Sdn. Bhd., it has the power to appoint and remove the majority of the board of directors of the company based on the contractual arrangements between the Group and the other investors. Hence, the Group has control over the financial and operating policies of the company and therefore, the Group consolidates its investment in the company.

(a) An impairment loss of RM1,583,409 (2013 - RM Nil) was recognised during the financial year as the recoverable amount of the investment in subsidiary is lower than the carrying amount which resulted from the continuing losses of the subsidiary.

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	The Group 2014 RM	The Group 2013 RM
Indera Persada Sdn. Bhd.	40	40	(5,247,778)	2,960,226
Other individually immaterial subsidiaries			(807,187)	(546,533)
			(6,054,965)	2,413,633

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Indera Persada Sdn. Bhd.	
	2014	2013
	RM	RM
At 30 September 2014/2013		
Current assets	261,700,875	264,881,853
Non-current liabilities	(263,397,431)	(259,788,597)
Current liabilities	(7,049,741)	(159,546)
Net assets	(8,746,297)	4,933,710
Financial year ended 30 September 2014/2013		
Revenue	48,447,856	-
Loss for the financial year	(13,680,007)	(61,795)
Total comprehensive expenses	(13,680,007)	(61,795)
Total comprehensive expenses attributable to non-controlling interests	(8,208,004)	(37,077)
Net cash flows for operating activities	(66,309,899)	(3,211,474)
Net cash flows for investing activities	(81,857,102)	(214,429,500)
Net cash flows from financing activities	8,910,885	264,848,475

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT

	At 1.10.2013	Reclassification (Note 7)	Additions	Acquisition of Subsidiary's Assets (Note 34)	Disposals	Writeoffs	Reversal of Impairment	Depreciation Charge	At 30.9.2014
	RM	RM	RM	RM	RM	RM	RM	RM	RM
The Group									
Net Book Value									
Office lot, shophouse and office units	2,054,085	1,111,854	-	-	-	-	-	(74,998)	3,090,941
Leasehold land	1,318,314	(1,318,314)	-	-	-	-	-	-	-
Computers and printers	389,790	-	571,558	8,603	-	-	-	(245,353)	724,598
Site office cabins, plant and machinery, furniture and fittings	156,362	-	51,256	3,703	-	-	-	(58,304)	153,017
Office equipment and renovation	1,136,113	61,487	721,378	103,343	(1,488)	(70,603)	218,607	(728,157)	1,440,680
Motor vehicles	1,550,313	-	1,951,799	68,435	(65,321)	-	-	(824,038)	2,681,188
Capital work-in-progress	5,426	-	44,770	-	(9)	(105,260)	60,990	-	5,917
	6,610,403	(144,973)	3,340,761	184,084	(65,818)	(175,863)	279,597	(1,930,850)	8,096,341

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

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

	At 1.10.2012	Reclassification (Note 7)	Additions	Acquisition of Subsidiary's Assets (Note 34)	Disposals	Impairment	Depreciation Charge	At 30.9.2013
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
Net Book Value								
Office lot, shophouse and office units	2,870,054	(760,080)	-	-	-	-	(55,889)	2,054,085
Leasehold land	-	-	-	1,348,276	-	-	(29,962)	1,318,314
Computers and printers	289,152	-	223,358	-	-	-	(122,720)	389,790
Site office cabins, plant and machinery, furniture and fittings	173,414	-	34,472	-	-	-	(51,524)	156,362
Office equipment and renovation	1,991,860	929,363	279,379	-	-	(1,083,953)	(980,536)	1,136,113
Motor vehicles	1,842,991	-	610,473	-	(139,595)	-	(763,556)	1,550,313
Capital work-in-progress	1,755,748	(929,363)	238,951	-	-	(1,059,910)	-	5,426
	8,923,219	(760,080)	1,386,633	1,348,276	(139,595)	(2,143,863)	(2,004,187)	6,610,403

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

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

	At Cost	Accumulated Impairment	Accumulated Depreciation	Net Book Value
	RM	RM	RM	RM
The Group				
At 30.9.2014				
Office lot, shophouse and office units	4,134,894	-	(1,043,953)	3,090,941
Computers and printers	1,865,604	(3,534)	(1,137,472)	724,598
Site office cabins, plant and machinery, furniture and fittings	719,617	(500)	(566,100)	153,017
Office equipment and renovation	8,146,387	(865,346)	(5,840,361)	1,440,680
Motor vehicles	5,295,644	-	(2,614,456)	2,681,188
Capital work-in-progress	1,004,837	(998,920)	-	5,917
	21,166,983	(1,868,300)	(11,202,342)	8,096,341
At 30.9.2013				
Office lot, shophouse and office units	2,794,437	-	(740,352)	2,054,085
Leasehold land	1,348,276	-	(29,962)	1,318,314
Computers and printers	1,238,663	-	(848,873)	389,790
Site office cabins, plant and machinery, furniture and fittings	581,753	-	(425,391)	156,362
Office equipment and renovation	6,804,187	(1,083,953)	(4,584,121)	1,136,113
Motor vehicles	4,173,048	-	(2,622,735)	1,550,313
Capital work-in-progress	1,065,336	(1,059,910)	-	5,426
	18,005,700	(2,143,863)	(9,251,434)	6,610,403

Included in property, plant and equipment of the Group are motor vehicles with a total net book value of RM2,103,925 (2013 - RM1,514,977) acquired under hire purchase terms.

Certain property, plant and equipment of the Group with a total net book value of RM2,720,058 (2013 - RM2,054,085) were pledged as security for banking facilities granted to the Group.

During the financial year, a reversal of impairment loss was recognised for its property, plant and equipment as the recoverable amount has been increased due to certain changes in the recovery plan, the Group reassessed its estimates and a total amount of RM279,597 of the initially recognised impairment has been reversed.

In the previous financial year, an impairment loss was recognised for its subsidiary's plant and equipment. The subsidiary assessed the recoverable amount to be lower than the carrying amount. The recoverable amount of the plant and equipment (a cash-generating unit) is determined based on value-in-use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

7. INVESTMENT PROPERTY

The Group	Leasehold Land RM	Leasehold Building RM	Freehold Building RM	Capital work-in progress RM	Total RM
2014					
At Cost:-					
At 1.10.2013	5,018,187	2,981,323	848,495	-	8,848,005
Addition	-	-	-	2,226,175	2,226,175
Reclassification (Note 6)	1,348,276	(955,457)	(463,495)	-	(70,676)
At 30.9.2014	6,366,463	2,025,866	385,000	2,226,175	11,003,504
Accumulated Depreciation:-					
At 1.10.2013	257,254	451,449	9,650	-	718,353
Amortisation	89,934	39,618	31,099	-	160,651
Reclassification (Note 6)	29,962	(214,486)	(31,125)	-	(215,649)
At 30.9.2014	377,150	276,581	9,624	-	663,355
Carrying Amounts:-					
At 30.9.2014	5,989,313	1,749,285	375,376	2,226,175	10,340,149
Market Values					
At 30.9.2014	8,046,147	2,070,775	396,000	N/A	10,512,922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

7. INVESTMENT PROPERTY (CONT'D)

The Group	Leasehold Land RM	Leasehold Building RM	Freehold Building RM	Total RM
2013				
At Cost:-				
At 1.10.2012	5,018,187	2,025,866	-	7,044,053
Addition	-	-	848,495	848,495
Reclassification (Note 6)	-	955,457	-	955,457
At 30.9.2013	5,018,187	2,981,323	848,495	8,848,005
Accumulated Depreciation:-				
At 1.10.2012	182,301	197,345	-	379,646
Amortisation	74,953	58,727	9,650	143,330
Reclassification (Note 6)	-	195,377	-	195,377
At 30.9.2013	257,254	451,449	9,650	718,353
Carrying Amounts:-				
At 30.9.2013	4,760,933	2,529,874	838,845	8,129,652
Market Values				
At 30.9.2013	6,200,913	4,556,920	957,220	11,715,053

The carrying amounts of certain properties pledged to banks for banking facilities are as follows:-

	2014 RM	2013 RM
Leasehold building	1,588,743	2,366,209
Leasehold land	4,656,750	4,731,347
	6,245,493	7,097,556

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

8. GOODWILL ON CONSOLIDATION

	The Group	
	2014	2013
	RM	RM
At 1 October 2013/2012	1,514,295	-
Acquisition of new subsidiary	-	1,514,295
At 30 September 2014/2013	1,514,295	1,514,295

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2014	2013
	RM	RM
Matang Makmur Holdings Sdn. Bhd.	1,514,295	1,514,295

Goodwill arose from acquisition of subsidiary is stated at cost and reviewed for impairment annually.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections approved by management.

8.1 The key assumptions used for value-in-use calculations are as follows:-

	2014	2013
Gross margin	50%	50%
Growth rate	0%	0%
Discount rate	15.8%	11.8%

(a) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.

(b) Growth rate

The growth rate used is based on the expected revenue generated from the car park in the budgeted period.

(c) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

8.2 Sensitivity to changes in assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

9. INTANGIBLE ASSET

	The Group	
	2014	2013
	RM	RM
Customer base, at cost:-		
At 1 October 2013/2012	-	-
Addition during the financial year (Note 34)	5,044,437	-
	5,044,437	-
Amortisation of intangible asset	(42,036)	-
At 30 September 2014/2013	5,002,401	-

10. DEFERRED TAX ASSET

	2014	2013
	RM	RM
At 1 October 2013/ 2012	-	-
Recognised in profit or loss (Note 32)	590,689	-
At 30 September	590,689	-

The deferred tax asset is in respect of temporary differences arising from unrealised profit on construction works.

11. INVENTORIES HELD FOR RESALE

	The Group	
	2014	2013
	RM	RM
At cost:-		
Equipment and parts held for resale	3,190,651	1,801,159
Finished goods	467	1,323
Goods-in-transit	197,522	16,956
	3,388,640	1,819,438

None of the inventories is carried at net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

11. INVENTORIES HELD FOR RESALE (CONT'D)

	The Group	
	2014	2013
	RM	RM
Recognised in profit or loss:-		
Inventories recognised as cost of sales	111,766	6,776
Inventories written off as cost of sales	174,907	-

12. PROPERTY DEVELOPMENT COSTS

	The Group	
	2014	2013
	RM	RM
At 1 October 2013/2012		
- Land	2,714,700	2,714,700
- development costs	16,516,666	6,045,246
	19,231,366	8,759,946
Costs incurred during the year:		
- development costs	57,790,775	10,471,420
	77,022,141	19,231,366
Costs recognised as expenses in profit or loss	(39,454,731)	(16,513,345)
At 30 September 2014/2013	37,567,410	2,718,021
Cumulative revenue recognised in profit or loss	55,122,301	19,621,389
Cumulative billings to purchasers	(52,233,097)	(17,077,953)
Net accrued billings	2,889,204	2,543,436

Included in development expenditure is interest expense capitalised during the financial year amounting to RM139,204 (2013 - Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

13. TRADE RECEIVABLES

	The Group	
	2014	2013
	RM	RM
Trade receivables	29,986,054	15,823,788
Retention receivables	5,082,703	4,851,626
Total trade receivables	35,068,757	20,675,414
Allowance for impairment losses:-		
At 1 October 2013/2012	(6,692,931)	(5,828,590)
Addition during the financial year	(5,030,754)	(2,694,994)
Write-back during the financial year	628,966	1,830,653
At 30 September 2014/2013	(11,094,719)	(6,692,931)
Accretion of receivables:-		
At 1 October 2013/2012	(481,535)	(775,858)
Addition during the financial year	37,342	294,323
At 30 September 2014/2013	(444,194)	(481,535)
	23,529,844	13,500,948

The Group's normal credit terms for trade receivables range from 7 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other receivables	5,262,470	3,816,293	4,844	4,844
Allowance for impairment	(1,540,009)	-	-	-
Net other receivables	3,722,461	3,816,293	4,844	4,844
Deposits	1,370,798	539,934	1,500	1,500
Prepayments	2,646,705	534,768	2,400	2,400
	7,739,964	4,890,995	8,744	8,744

Included in the deposits of the Group is an amount of approximately RM900,000 (2013 – RM240,000) paid to a land owner as a rental deposit.

Included in the prepayments of the Group are advances amounting to approximately RM1,981,000 (2013 - Nil) paid to subcontractors for supply of goods and services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

15. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	2014	2013
	RM	RM
Contract costs incurred to date	114,475,099	85,556,188
Attributable profits	41,457,299	31,987,754
	155,932,398	117,543,942
Progress billings	(127,316,546)	(105,496,893)
Net amount owing by/(to) contract customers	28,615,852	12,047,049

The net amount owing by/(to) contract customers comprises the following:-

Amount owing by contract customers	36,153,451	17,849,598
Amount owing to contract customers	(7,537,599)	(5,802,549)
	28,615,852	12,047,049

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2014	2013
	RM	RM
Amount owing by:-		
Non-trade balances	63,914,302	43,340,761
Less: Accumulated impairment loss	(180,907)	(180,907)
	63,733,395	43,159,854
Amount owing to:-		
Non-trade balances	21,328,555	-

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

17. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits amounting to RM2,979,835 (2013 - RM1,837,952) have been pledged to licensed banks as security for banking facilities granted to a subsidiary.

Fixed deposits at the end of the reporting period bore a weighted average interest of 3.27% (2013 - 3.26%) per annum. The maturity periods of the fixed deposits at the end of the reporting period ranged from 30 to 365 days (2013 - 30 to 365 days).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

18. SHARE CAPITAL

	The Company			
	2014	2013	2014	2013
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Authorised				
At 1 October 2013/2012	1,000,000,000	500,000,000	100,000,000	50,000,000
Creation	-	500,000,000	-	50,000,000
At 30 September 2014/2013	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Issued And Fully Paid Up				
At 1 October 2013/2012	352,819,786	254,120,650	35,281,979	25,412,065
Issuance of shares	69,089,395	98,699,136	6,908,939	9,869,914
At 30 September 2014/2013	421,909,181	352,819,786	42,190,918	35,281,979

The Company increased its issued and paid-up share capital from RM35,281,979 to RM42,909,918 by:-

(i) the issuance of 34,544,695 new ordinary shares of RM0.10 each at an issue price of RM0.23 per share for the purpose of working capital. The shares were issued for cash consideration; and

(ii) the issuance of 34,544,700 new ordinary shares of RM0.10 each at an issue price of RM0.20 per share for the purpose of working capital. The shares were issued for cash consideration.

All the new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

19. TREASURY SHARES

	The Group/The Company			
	2014	2013	2014	2013
	Number Of Shares		RM	RM
At 30 September	7,372,808	7,372,808	3,248,747	3,248,747

Below are the details of the treasury shares at the end of the reporting period:-

	Number of Shares	Average Unit Price	Total Consideration
		RM	RM
At 30 September	7,372,808	0.4406	3,248,747

Of the total 421,909,181 (2013 - 352,819,786) issued and fully paid ordinary shares as at the end of the reporting period, 7,372,808 (2013 - 7,372,808) are held as treasury shares by the Company. None of the treasury shares were cancelled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

20. RESERVES

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Share premium	(a)	24,347,220	16,633,521	24,347,220	16,633,521
Warrant reserve	(b)	6,507,551	6,507,551	6,507,551	6,507,551
Retained profits	(c)	4,866,674	10,514,870	7,721,799	9,159,408
		35,721,445	33,655,942	38,576,570	32,300,480

(a) Share Premium

The movements in the share premium of the Group and the Company are as follows:-

	The Group/ The Company	
	2014	2013
	RM	RM
At 1 October 2013/2012	16,633,521	13,354,858
Issuance of new shares	7,945,280	3,681,480
Share issuance expenses	(231,581)	(402,817)
At 30 September 2014/2013	24,347,220	16,633,521

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.

(b) Warrant Reserve

The Company has a total of 101,849,185 Warrants 2007/2017 in issue at the end of 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 RM0.13. 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.

The Company has a total of 74,024,334 Warrants 2013/2023 in issue at the end of the financial year. Each Warrant 2013/2023 entitles the holder to subscribe for one new ordinary share of RM0.10 each in the Company at the exercise price of RM0.26. The Warrants 2013/2023 are exercisable over a period of 10 years from 5 April 2013 to 4 April 2023. None of the Warrants 2013/2023 in issue was exercised during the financial year.

(c) Retained Profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

21. HIRE PURCHASE PAYABLES

	The Group	
	2014	2013
	RM	RM
Minimum hire purchase payments:		
- not later than one year	755,796	634,377
- later than one year and not later than five years	1,487,786	835,650
	2,243,582	1,470,027
Future finance charges	(187,720)	(92,731)
Present value of hire purchase payables	2,055,862	1,377,296
Current:		
- not later than one year	677,111	582,032
Non-current:		
- later than one year and not later than five years	1,378,751	795,264
	2,055,862	1,377,296

The hire purchase payables at the end of the reporting period bore effective interest rates ranging from 4.37% to 7.16% (2013 - 4.37% to 7.16%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

22. BONDS

	Maturity Year	The Group 2014 RM	2013 RM
Non - Current:			
Secured, fixed rate bond:			
- 4.00% per annum	2018	60,000,000	60,000,000
- 4.10% per annum	2019	25,000,000	25,000,000
- 4.20% per annum	2020	20,000,000	20,000,000
- 4.30% per annum	2021	20,000,000	20,000,000
- 4.40% per annum	2022	20,000,000	20,000,000
- 4.50% per annum	2023	20,000,000	20,000,000
- 4.60% per annum	2024	20,000,000	20,000,000
- 4.70% per annum	2025	20,000,000	20,000,000
- 4.80% per annum	2026	20,000,000	20,000,000
- 4.90% per annum	2027	25,000,000	25,000,000
- 5.00% per annum	2028	30,000,000	30,000,000
Secured, fixed rate subordinated bond:			
- 16.00% per annum	2028	11,000,000	11,000,000
		291,000,000	291,000,000
Less:			
- Bond discount		(13,706,811)	(14,917,524)
- Transaction cost		(19,170,556)	(21,309,943)
		258,122,633	254,772,533
Accreted interest		972,228	972,228
		259,094,861	255,744,761

The amount recognised in the statement of financial position of the Group may be analysed as follows:

Secured:

	The Group 2014 RM	2013 RM
Current:		
- repayable not later than one year	-	-
Non-current:		
- repayable later than five years	259,094,861	255,744,761
	259,094,861	255,744,761

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

22. BONDS (CONT'D)

Indera Persada Sdn Bhd ("IPSB" or the "Issuer") is a 40% owned subsidiary, issued RM280 million Fixed Rate Serial Bonds and RM15 million Subordinated Bonds which included RM4 million subscribed by MMHSB, a subsidiary of Digistar Corporation Berhad on 5 September 2014. The entire bonds were divided into 12 tranches, with maturity periods of up to 15 years commencing September 2018 to September 2028.

The coupon rates range from 4.00% to 16.00% per annum and the coupon interests are payable semi-annually on each series of the Bonds.

Proceeds raised from the Bonds will be utilised by IPSB to finance the construction of a Training Institute in Malacca for Ministry of Works, under an 18-year Concession Agreement with the Government of Malaysia.

The Bonds are secured against the following:

(i) A performance guarantee of up to RM280 million during the construction period by a financial institution;
(ii) A first priority assignment of the Issuer's contractual rights, interest, tittle and benefits in and to the performance bonds/guarantee;
(iii) A first ranking fixed charge over the Debt Service Reserve Account, Proceeds Account 1 and Proceeds Account 2;
(iv) A first priority assignment of the Issuer's contractual rights , interest title and benefits in respect of the Availability Charges and Maintenance Service Charges; amount payable to Issuer as a result of early termination of the Concession Agreement ("CA"); and all rights relating to the appointment of a substituted entity to carry out the concession;
(v) A first priority assignment of the Issuer's contractual rights, interest, title and benefits under the CA in respect of any reimbursement cost incurred in relation to or for the purpose of the implementation of the CA;
(vi) Debenture over all of the Issuer's present and future assets, fixed and floating;
(vii) A first priority assignment of insurance policies; and
(viii) Deed of subordination of shareholders' present and future advances.

23. TRADE PAYABLES

	The Group	
	2014	2013
	RM	RM
Trade payables	9,341,100	1,433,186
Retention payables	5,763,970	1,686,451
Total trade payables	15,105,070	3,119,637
Accretion of payables	(742,990)	(240,099)
	14,362,080	2,879,538
Accretion of payables:-		
At 1 October 2013/2012	(240,099)	(112,233)
Addition during the financial year	(502,891)	(127,866)
At 30 September	(742,990)	(240,099)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

24. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other payables	3,011,887	1,314,131	490	3,115
Deferred revenue	2,338,950	-	-	-
Deposits received	438,804	98,432	-	-
Accruals	1,993,206	3,447,053	85,300	118,300
	7,782,847	4,859,616	85,790	121,41

Deferred revenue arose from advance billings to the customers for the services to be rendered in the subsequent financial years.

25. AMOUNT OWING TO A RELATED PARTY

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

26. BANKERS' ACCEPTANCES

The bankers' acceptances bore an effective interest rate of 5.03% (2013 - 4.61%) per annum and are secured by:-

(i) legal charges over certain properties belonging to certain subsidiaries;

(ii) a pledge of fixed deposits belonging to one of the subsidiaries; and

(iii) a corporate guarantee of the Company.

27. TERM LOAN

	The Group	
	2014	2013
	RM	RM
Current portion:		
- not later than one year	103,125	-

The repayment terms of the bridging loan is by way of redemption of strata titles at 45% of the selling price of each unit or alternatively by way of 12 monthly principal instalment of RM2,750,000 commencing on the 25th month from the date of the first release.

The bridging loan at the end of the reporting period bore an effective interest rate of 7.1% (2013 - Nil) per annum.

The bridging loan was secured by:-

(a) an open all monies facility agreement between a subsidiary and the Bank;

(b) a first legal charge over a piece of property of the subsidiary;

(c) a fixed deposit to be held on lien with the Bank; and

(d) a corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

28. BANK OVERDRAFTS

The bank overdrafts bear an effective interest rate of 7.85% (2013 - 7.85%) per annum and are secured in the same manner as the bankers' acceptances as disclosed in Note 26 to the financial statements.

29. NET ASSETS PER ORDINARY SHARE

The net assets per share is calculated based on the net assets value attributable to shareholders of RM74,663,616 (2013 - RM65,689,174) divided by the number of ordinary shares in issue (excluding treasury shares) at the end of the reporting period of 414,536,373 shares (2013 - 345,446,978 shares).

30. REVENUE

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Contract revenue	65,341,018	28,575,646	-	-
Security service income	329,182	-	-	-
Maintenance income	2,743,329	1,775,987	-	-
Sale of goods	4,025,685	1,324,810	-	-
Rental income	1,770,347	1,781,434	-	-
Proportionate sale value of development properties	35,500,912	14,831,386	-	-
Dividend income	-	-	400,000	611,179
	109,710,473	48,289,263	400,000	611,179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

31. (LOSS)/PROFIT BEFORE TAXATION

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

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Amortisation of investment properties	160,651	143,330	-	-
Amortisation of intangible asset	42,036	-	-	-
Audit fee:				
- for the financial year	178,000	126,000	45,000	38,000
- underprovision in the previous financial year	18,000	-	4,000	-
- non-statutory services	5,000	5,000	5,000	5,000
Bad debts written off	-	6,158	-	-
Depreciation of property, plant and equipment	1,930,850	2,004,187	-	-
Directors' remuneration:				
- non-fee emoluments	1,814,000	1,919,948	88,500	130,100
- defined contribution plans	205,457	201,740	-	-
Interest expense:				
- bank overdrafts	21,965	32,768	-	-
- bankers' acceptances	115,885	45,600	-	-
- hire purchase	79,001	84,212	-	-
- trust receipts	35,734	1,438	-	-
- bond	18,805,667	-	-	-
Impairment losses on:				
- property, plant and equipment	-	2,143,863	-	-
- trade receivables	5,030,754	2,694,994	-	-
- other receivables	1,540,009	-	-	-
- amount owing by a subsidiary	-	-	-	180,907
- investment in subsidiaries	-	-	1,583,409	-
(Gain)/Loss on disposal of property, plant and equipment	(141,729)	39,545	-	-
Loss on disposal of other investment	-	7,196	-	7,196
Rental of equipment	35,289	29,839	-	-
Rental of motor vehicle	51,896	18,010	-	-
Rental of premises	350,860	294,340	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	9,288,933	8,050,683	-	-
- defined contribution plans	1,052,099	835,754	-	-
- other benefits	494,752	531,365	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

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

(Loss)/profit before taxation is arrived at after charging/(crediting) the following (CONT'D):-

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Property, plant and equipment written off	175,863	-	-	-
Accretion of payables	(502,891)	(127,866)	-	-
Accretion of receivables	(37,342)	(294,323)	-	-
(Gain)/Loss on foreign exchange -				
realised	(59,635)	(95,112)	-	-
Reversal of impairment loss on property, plant and equipment	(279,597)	-	-	-
Write-back of impairment losses on receivables	(628,966)	(1,830,653)	-	-
Dividend income	-	-	(400,000)	(611,179)
Interest income:				
- fixed deposits	(8,799,044)	(504,658)	-	-
- repo	(3,575)	(1,916)	-	-
- others	(41,877)	(53,167)	-	-
Rental income	(1,706,099)	(1,713,422)	-	-

32. INCOME TAX EXPENSE

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current tax:				
- for the current financial year	2,714,419	205,000	-	98,000
- under/(over)provision in previous financial years	304,858	(633,567)	(98,000)	8,569
	3,019,277	(428,567)	(98,000)	106,569
Deferred tax:				
- for the current financial year (Note 10)	(590,689)	-	-	-
	2,428,588	(428,567)	(98,000)	106,569

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

32. INCOME TAX EXPENSE (CONT'D)

The reconciliation of income tax expense applicable to the (loss)/profit 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	
	2014	2013	2014	2013
	RM	RM	RM	RM
(Loss)/profit before taxation	(11,347,732)	(11,867,759)	(1,535,609)	54,451
Tax at the statutory tax rate of 25%	(2,836,932)	(2,966,940)	(384,000)	14,000
Tax effects of:-				
Non-deductible expenses	4,931,849	1,863,930	384,000	84,000
Deferred tax assets not recognised during the financial year	522,591	1,308,500	-	-
Non taxable gain	(49,028)	(490)	-	-
Utilisation of previously unrecognised deferred tax assets	(444,750)	-	-	-
Under/(Over)provision of current tax in the previous financial year	304,858	(633,567)	(98,000)	8,569
Tax for the financial year	2,428,588	(428,567)	(98,000)	106,569

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

No deferred tax asset is recognised on the following items:-

	The Group	
	2014	2013
	RM	RM
Impairment losses on receivables	10,933,499	6,244,438
Unutilised tax losses	1,641,000	4,371,181
Unabsorbed capital allowances	921,000	2,484,680
Accelerated capital allowances over depreciation	454,064	537,900
	13,949,563	13,638,199

Tax savings during the financial year arising from:-

	The Group	
	2014	2013
	RM	RM
Unabsorbed capital allowances	1,146,680	-
Utilisation of tax losses previously not recognised as deferred tax assets	4,851,181	560,933
	5,997,861	560,933

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

33. LOSS PER SHARE

The basic loss per ordinary share has been calculated based on the consolidated loss for the financial year attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

	The Group	
	2014	2013
Loss attributable to owners of the Company (RM)	(5,648,196)	(10,826,569)
Weighted average number of ordinary shares at 30 September	386,616,686	295,150,980
Basic loss per share (Sen)	(1.46)	(3.67)

The fully diluted loss per ordinary share has been calculated based on the consolidated loss for the financial year attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

	The Group	
	2014	2013
Loss attributable to owners of the Company (RM)	(5,648,196)	(10,826,569)
Weighted average number of ordinary shares at 30 September	404,627,577	354,265,333
Diluted loss per ordinary share (Sen)	(1.40)	(3.06)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

34. SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARIES

(a) 2014

The Group acquired 70% and 100% equity interest in Protecs A& A Sdn. Bhd. and Digistar Construction (M) Sdn. Bhd. respectively.

The fair values of the identifiable assets and liabilities of Protecs A&A Sdn. Bhd. and Digistar Construction (M) Sdn. Bhd. at the date of acquisition were:-

	At Date Of Acquisition Fair Value Recognised RM
Plant and equipment	184,084
Trade receivables	487,187
Other receivables	75,963
Tax refundable	29,000
Cash and cash equivalents	661,153
Other payables and accruals	(2,502,671)
Amount owing to related party	(1,637)
Hire purchase payables	(67,987)
Net identifiable assets and liabilities	(1,134,908)
Add: Non-controlling interest	340,473
Add: Intangible assets on acquisition (Note 9)	5,044,437
Total purchase consideration	4,250,002
Less: Cash and cash equivalents of subsidiaries acquired	(661,153)
Net cash outflow for acquisition of subsidiaries	3,588,849

The acquired subsidiaries have contributed the following results to the Group:-

	2014 RM	2013 RM
Revenue	11,157,550	Not applicable
Loss after taxation	(1,363,825)	Not applicable

If the acquisition had taken place at the beginning of the financial year, the Group's results would have been as follows:-

	2014 RM	2013 RM
Revenue	111,743,152	Not applicable
Loss after taxation	(13,754,286)	Not applicable

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

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

(b) 2013

The Group acquired 100% and 40% equity interest in Matang Makmur Holdings Sdn. Bhd. and Indera Persada Sdn. Bhd. respectively.

The fair values of the identifiable assets and liabilities of Matang Makmur Holdings Sdn. Bhd. and Indera Persada Sdn. Bhd. at the date of acquisition were:-

	At Date Of Acquisition Fair Value Recognised RM
Leasehold land (Note 6)	1,348,276
Unquoted investment	30
Cash and cash equivalents	102
Other payables and accruals	(1,365,300)
Net identifiable assets and liabilities	(16,892)
Add: Non-controlling interest	2,637
Add: Goodwill on acquisition	1,514,295
Total purchase consideration	1,500,040
Less: Cash and cash equivalents of subsidiaries acquired	(102)
Net cash outflow for acquisition of subsidiaries	1,499,938

The non-controlling interests are measured at fair value.

The acquired subsidiaries have contributed the following results to the Group:-

	2014 RM	2013 RM
Revenue	Not applicable	-
Profit for the financial year	Not applicable	(67,565)

If the acquisition had taken place at the beginning of the financial year, the Group's results would have been as follows:-

	2014 RM	2013 RM
Revenue	Not applicable	48,289,263
Loss for the financial year	Not applicable	(11,439,450)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

35. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2014	2013
	RM	RM
Cost of property, plant and equipment purchased	3,340,761	1,386,633
Amount financed through hire purchase	(1,371,000)	(529,000)
Cash disbursed for purchase of property, plant and equipment	1,969,761	857,633

36. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Fixed deposits with licenced banks (Note 17)	199,295,462	268,911,284	-	-
Cash and bank balances	32,245,113	8,176,639	404,669	257,532
Bank overdrafts (Note 28)	(882,317)	(1,145,891)	-	-
	230,658,258	275,942,032	404,669	257,532
Less: fixed deposits with maturity period more than three months	(90,214,448)	(214,429,500)	-	-
Less: fixed deposit pledged under licensed bank (Note 17)	(2,979,835)	(1,837,952)	-	-
	137,463,975	59,674,580	404,669	257,532

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

37. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Executive directors' remuneration:				
- Non-fee emoluments	1,732,500	1,796,348	7,000	6,500
- Defined contribution plan	205,457	201,740	-	-
	1,937,957	1,998,088	7,000	6,500
Non-executive directors' remuneration:				
- Non-fee emoluments	81,500	123,600	81,500	123,600
Total directors' remuneration	2,019,457	2,121,688	88,500	130,100
Directors' non-fee emoluments	1,814,000	1,919,948	88,500	130,100
Defined contribution plan	205,457	201,740	-	-
	2,019,457	2,121,688	88,500	130,100

The number of Group and Company directors' with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
The Group				
Executive directors				
- Below RM50,000	1	3	4	6
- RM50,001 to RM100,000	1	-	-	-
- RM250,001 to RM300,000	-	1	-	-
- RM400,001 to RM450,000	-	1	-	-
- RM450,001 to RM500,000	1	-	-	-
- RM1,000,001 to RM1,050,000	-	1	-	-
- RM1,300,001 to RM1,350,000	1	-	-	-
Non-Executive directors				
- Below RM50,000	2	3	2	4
- RM50,001 to RM100,000	1	1	1	-
	7	10	7	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

38. RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

		The Group		The Company	
		2014	2013	2014	2013
		RM	RM	RM	RM
(i)	**Subsidiaries**				
	Dividend income receivable	-	-	400,000	611,179
(ii)	**Directors**				
	Directors' fee	-	89,000	-	-
(iii)	**Key management personnel**				
	Short-term employee benefits	2,343,537	2,121,688	88,500	130,100
(iv)	**Related parties**				
	Sale of a unit of suite	-	265,780	-	-

39. OPERATING SEGMENTS

Business Segments

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The following are the Group's main business segments:

(i) Systems integration segment - involved 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.

(ii) Trading segment - involved in the trading of all kinds of specialised electronic and electrical components and products throughout Malaysia.

(iii) Maintenance segment - involved in providing electronic systems maintenance and support services.

(iv) Investment holding segment - investment holding.

(v) Rental segment - involved in renting, maintaining and upkeep of properties and health television operator.

(vi) Property development segment - involved in development of properties.

(vii) Concession segment – involved in concession arrangement is between the Group and Government of Malaysia for the privatisation of the design, development, construction and completion of the Facilities and Infrastructure for Jabatan Kerja Raya ("JKR") Training Institute and to carry out the Asset Management Services.

(viii) Central monitoring security services – involved in of designing, supplying, installation and integration of security monitoring systems.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

39. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2014	Systems Integration RM	Trading RM	Maintenance Income RM	Investment Holding RM	Concession RM	Central security monitoring Services RM	Rental RM	Property Development RM	Elimination RM	Group RM
THE GROUP										
REVENUE										
External revenue	42,065,779	3,728,999	2,928,111	17,950	23,275,239	423,136	1,770,347	35,500,912	-	109,710,473
Intersegment revenue	384,729	-	-	400,000	75,433,270	-	228,000	2,291,741	(78,737,740)	-
Total revenue	42,450,508	3,728,999	2,928,111	417,950	98,708,509	423,136	1,998,347	37,792,653	(78,737,740)	109,710,473
RESULTS										
Segment results (external)	(5,691,726)	(785,963)	143,393	(1,560,087)	3,068,091	(1,089,174)	210,574	6,087,402	(1,408,988)	(1,026,478)
Interest Income	930,001	-	-	655,254	8,357,346	-	-	55,233	(1,153,338)	8,844,496
	(4,761,725)	(785,963)	143,393	(904,833)	11,425,437	(1,089,174)	210,574	6,142,635	(2,562,326)	7,818,018
Finance costs	(351,167)	(432)	(60)	(1,723)	(19,445,687)	(226)	(350)	(6,105)	640,000	(19,165,750)
Loss from ordinary activities before taxation										(11,347,732)
Income tax expense										(2,428,588)
Profit after taxation										(13,776,320)
Non-controlling interest										8,128,124
Net profit attributable to the owners of the Company										(5,648,196)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

39. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	Systems Integration	Trading	Maintenance Income	Investment Holding	Concession assets	Central security monitoring Services	Rental	Property Development	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
OTHER INFORMATION									
Segment assets	43,314,097	875,227	1,568,308	14,822,052	227,512,034	4,285,128	12,004,819	63,380,609	367,762,274
Unallocated assets									590,689
									368,352,963
Segment liabilities	29,162,741	-	-	110,173	252,190,919	2,611,509	219,206	13,623,941	297,918,489
Unallocated liabilities									1,825,823
									299,744,312
Capital expenditure:									
- property, plant and equipment	1,901,106	-	-	-	40,599	1,078,636	78,119	242,301	3,340,761
- investment property	-	-	-	2,226,175	-	-	-	-	2,226,175
Equipment written off	-	-	-	-	-	-	175,863	-	175,863
Depreciation and amortisation	1,015,093	-	-	57,017	4,034	303,510	654,561	99,322	2,133,537
Impairment losses on receivables	6,356,286	-	-	-	-	-	79,492	134,985	6,570,763
Write-back of impairment losses on receivables	(318,216)	-	-	-	-	-	(310,750)	-	(628,966)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

39. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

2013	Systems Integration RM	Trading RM	Maintenance Income RM	Investment Holding RM	Rental RM	Property Development RM	Elimination RM	Group RM
THE GROUP								
REVENUE								
External revenue	28,575,646	1,322,430	1,775,987	2,380	1,781,434	14,831,386	-	48,289,263
Intersegment revenue	-	-	-	611,179	228,000	-	(839,179)	-
Total revenue	28,575,646	1,322,430	1,775,987	613,559	2,009,434	14,831,386	(839,179)	48,289,263
RESULTS								
Segment results (external)	(4,533,225)	252,391	923,018	(472,744)	(2,789,535)	(2,761,624)	(2,798,416)	(12,180,135)
Interest Income	427,550	15,692	55,713	43,836	-	60,786	(43,836)	559,741
	(4,105,675)	268,083	978,731	(428,908)	(2,789,535)	(2,700,838)	(2,842,252)	(11,620,394)
Finance costs	(241,098)	(3,493)	(25)	(522)	(605)	(1,622)	-	(247,365)
Loss from ordinary activities before taxation								(11,867,759)
Income tax expense								428,567
Profit after taxation								(11,439,192)
Non-controlling interest								612,623
Net profit attributable to the owners of the Company								(10,826,569)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

39. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	Systems Integration	Trading	Maintenance Income	Investment Holding	Rental	Property Development	Total
	RM	RM	RM	RM	RM	RM	RM
OTHER INFORMATION							
Segment assets	308,155,474	635,135	306,200	5,282,921	11,769,926	10,515,053	336,664,709
Unallocated assets							3,715,102
							340,379,811
Segment liabilities	269,432,458	22,880	16,626	141,868	384,827	2,267,345	272,266,004
Unallocated liabilities							11,000
							272,277,004
Capital expenditure:							
- property, plant and equipment	718,015	-	-	205,433	390,984	72,201	1,386,633
Depreciation and amortisation	973,484			102,652	1,025,568	45,813	2,147,517
Impairment losses on receivables	2,264,501	-	-	-	430,493	-	2,694,994
Impairment losses on plant and equipment	-	-	-	-	2,143,863	-	2,143,863
Write-back of impairment losses on receivables	(1,830,653)	-	-	-	-	-	(1,830,653)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

39. OPERATING SEGMENTS (CONT'D))

Major Customers

During financial year, the revenue by segments from one major customer with total revenue more than 10% of the Group's revenue are as follows:-

	The Group	
	2014	**2013**
	RM	**RM**
Concession segment	23,275,239	-

40. FOREIGN EXCHANGE RATE

The principal closing foreign exchange rate used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period is as follows:-

	2014	**2013**
	RM	**RM**
United States Dollar	3.28	3.26

41. CONTINGENT LIABILITIES

	The Company	
	2014	**2013**
	RM	**RM**
Unsecured:		
- Guarantees given to financial institutions in respect of facilities extended to a subsidiary	12,153,659	8,053,020
- Guarantee given to a subsidiary's supplier for credit facility	5,000,000	6,000,000
- Guarantee given to a subsidiary's customer for due performance of works by a subsidiary	-	12,412,320
- Corporate Guarantee given to a financial institution for performance guarantee facility to a subsidiary	280,000,000	280,000,000
	297,153,659	306,465,340

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

42.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's 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 currency risk on purchases that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are United States Dollar and Pound Sterling. Foreign currency risk is monitored closely and managed to an acceptable level.

The Group's exposure to foreign currency is as follows:-

The Group	British Pound RM	Euro RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2014					
Financial assets					
Trade receivables	-	-	-	23,529,844	23,529,844
Other receivables and deposits	-	-	-	5,093,259	5,093,259
Fixed deposits with licensed banks	-	-	-	199,295,462	199,295,462
Cash and bank balances	-	-	-	32,245,113	32,245,113
	-	-	-	260,163,678	260,163,678

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	British Pound RM	Euro RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2014					
Financial liabilities					
Trade payables	42,666	17,024	219,815	14,082,575	14,362,080
Other payables, deposits received and accruals	-	-	-	7,782,847	7,782,847
Amount owing to a related party	-	-	-	13,798	13,798
Bankers' acceptances	-	-	-	6,086,000	6,086,000
Hire purchase payables	-	-	-	2,055,862	2,055,862
Bank overdrafts	-	-	-	882,317	882,317
Bonds	-	-	-	259,094,861	259,094,861
Term loan	-	-	-	103,125	103,125
	42,666	17,024	219,815	290,101,385	290,380,890
Net financial (liabilities)/assets	(42,666)	(17,024)	(219,815)	(29,937,707)	(30,217,212)
Less: Net financial assets denominated in the entity's functional currency	-	-	-	29,937,707	29,937,707
Currency exposure	(42,666)	(17,024)	(219,815)	-	279,505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	Euro RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
2013				
Financial assets				
Trade receivables	-	-	13,500,948	13,500,948
Other receivables and deposits	-	-	4,356,227	4,356,227
Fixed deposits with licensed banks	-	-	268,911,284	268,911,284
Cash and bank balances	-	-	8,176,639	8,176,639
	-	-	294,945,098	294,945,098
Financial liabilities				
Trade payables	523	229,108	2,649,907	2,879,538
Other payables, deposits received and accruals	-	-	4,859,616	4,859,616
Amount owing to a related party	-	-	13,353	13,353
Bankers' acceptances	-	-	443,000	443,000
Hire purchase payables	-	-	1,377,296	1,377,296
Bank overdrafts	-	-	1,145,891	1,145,891
Bonds	-	-	255,744,761	255,744,761
	523	229,108	266,233,824	266,463,455
Net financial (liabilities)/assets	(523)	(229,108)	28,711,274	28,481,643
Less: Net financial assets denominated in the entity's functional currency	-	-	(28,711,274)	(28,711,274)
Currency exposure	(523)	(229,108)	-	(229,631)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Company	Ringgit Malaysia RM	Total RM
2014		
Financial assets		
Other receivables and deposits	8,744	8,744
Amount owing by subsidiaries	63,733,395	63,733,395
Cash and bank balances	404,669	404,669
	64,146,808	64,146,808
Financial liabilities		
Other payables and accruals	85,790	85,790
Amount owing by subsidiaries	21,238,555	21,238,555
Amount owing to a related party	13,353	13,353
	21,427,698	21,427,698
Net financial assets	42,910,110	42,910,110
2013		
Financial assets		
Other receivables and deposits	6,344	6,344
Amount owing by subsidiaries	43,159,854	43,159,854
Cash and bank balances	257,532	257,532
	43,423,730	43,423,730
Financial liabilities		
Other payables and accruals	121,415	121,415
Amount owing to a related party	13,353	13,353
	134,768	134,768
Net financial assets	43,288,962	43,288,962

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014	2013
	RM	RM
Effects on profit after taxation/equity		
United States Dollar:		
- strengthened by 5%	(8,243)	(8,591)
- weakened by 5%	8,243	8,591

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42.1(c) to the financial statements.

Exposure to interest rate risk

	The Group	
	2014	2013
	RM	RM
Fixed rate instrument		
Bankers' acceptances	(6,086,000)	(443,000)
Bond	(259,094,861)	(255,744,761)
Hire purchase payables	(2,055,862)	(1,377,296)
Term loan	(103,125)	-
	(267,339,848)	(257,565,057)
Floating rate instrument		
Short-term deposits with licensed banks	199,295,462	268,911,284
Bank overdrafts	(882,317)	(1,145,891)
	198,413,145	267,765,393

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instrument is not disclosed as this financial instrument is measured at amortised cost.

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2014	**2013**
	RM	**RM**
Effects on profit after taxation/equity		
Increase of 100 basis points	1,488,099	2,008,240
Decrease of 100 basis points	(1,488,099)	(2,008,240)

(iii) Equity Price Risk

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

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by one (1) customer which constituted approximately 17% of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The Group does not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2014				
Not past due	9,706,560	-	-	9,706,560
Past due:-				
- less than 3 months	6,105,078	-	-	6,105,078
- 3 to 6 months	1,724,443	-	-	1,724,443
- over 6 months	17,088,482	(11,094,719)	-	5,993,763
	34,624,563	(11,094,719)	-	23,529,844
2013				
Not past due	4,652,004	-	-	4,366,690
Past due:-				
- less than 3 months	3,822,843	(655,649)	-	3,167,194
- 3 to 6 months	3,160,220	(138,489)	-	3,021,731
- over 6 months	8,558,812	(5,898,793)	-	2,660,019
	20,193,879	(6,692,931)	-	13,500,948

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2014						
Trade payables	-	14,362,080	14,362,080	14,362,080	-	-
Other payables, deposits received and accruals	-	7,782,847	7,782,847	7,782,847	-	-
Amount owing to a related party	-	13,798	13,798	13,798	-	-
Hire purchase payables	4.37 - 7.16	2,055,862	2,243,582	755,796	1,487,786	-
Bank overdrafts	7.85	882,317	882,317	882,317	-	-
Bankers' acceptances	5.03	6,086,000	6,086,000	6,086,000	-	-
Bonds	7.21	259,094,861	424,550,000	14,210,000	139,440,000	270,900,000
Term loan	7.10	103,125	103,241	103,241	-	-
		290,380,890	456,023,865	44,196,079	140,927,786	270,900,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 – 5 Years	Over 5 Years
	%	RM	RM	RM	RM	RM
The Group						
2013						
Trade payables	-	2,879,538	2,879,538	2,879,538	-	-
Other payables, deposits received and accruals	-	4,859,616	4,859,616	4,859,616	-	-
Amount owing to a related party	-	13,353	13,353	13,353	-	-
Hire purchase payables	4.37 - 7.16	1,377,296	1,470,027	634,377	835,650	-
Bank overdrafts	7.85	1,145,891	1,145,891	1,145,891	-	-
Bankers' acceptances	4.61	443,000	443,000	443,000	-	-
Bonds	7.21	255,744,761	438,760,000	14,210,000	116,840,000	307,710,000
		266,463,455	449,571,425	24,185,775	117,675,650	307,710,000
The Company						
2014						
Other payables and accruals	-	85,790	85,790	85,790	-	-
Amount owing to a related party	-	13,353	13,353	13,353	-	-
		99,143	99,143	99,143	-	-
2013						
Other payables and accruals	-	121,415	121,415	121,415	-	-
Amount owing to a related party	-	13,353	13,353	13,353	-	-
		134,768	134,768	134,768	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	The Group	
	2014	**2013**
	RM	**RM**
Trade payables	14,362,080	2,879,538
Other payables and accruals	7,782,847	4,859,616
Amount owing to a related party	13,798	13,353
Hire purchase payables	2,055,862	1,377,296
Bankers' acceptances	6,086,000	443,000
Bank overdrafts	882,317	1,145,891
Bonds	259,094,861	255,744,761
Term loan	103,125	-
	290,380,890	266,463,455
Less: Fixed deposits with licensed banks	(199,295,462)	(268,911,284)
Less: Cash and bank balances	(32,245,113)	(8,176,639)
	58,840,315	(10,624,468)
Total equity	74,663,616	65,689,174
Debt-to-equity ratio	0.78	Not applicable

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Financial assets				
Loans and receivables financial assets				
Trade receivables	23,529,844	13,500,948	-	-
Other receivables and deposits	5,093,259	4,356,227	8,744	6,344
Amount owing by subsidiaries	-	-	63,733,395	43,159,854
Fixed deposits with licensed banks	199,295,462	268,911,284	-	-
Cash and bank balances	32,245,113	8,176,639	404,669	257,532
	260,163,678	294,945,098	64,146,808	43,423,730
Financial liabilities				
Other financial liabilities				
Trade payables	14,362,080	2,879,538	-	-
Other payables and accruals	7,782,847	4,859,616	85,790	121,415
Amount owing to subsidiaries	-	-	21,328,555	-
Amount owing to a related party	13,798	13,353	13,353	13,353
Hire purchase payables	2,055,862	1,377,296	-	-
Bank overdrafts	882,317	1,145,891	-	-
Bankers' acceptances	6,086,000	443,000	-	-
Bonds	259,094,861	255,744,761	-	-
Term loan	103,125	-	-	-
	290,380,890	266,463,455	21,427,698	134,768

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

42. FINANCIAL INSTRUMENTS (CONT'D)

42.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy

	Fair Value Of Financial Instruments Carried At Fair Value			Fair value of Financial Instruments Not Carried At Fair Value				
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total Fair Value	Carrying Amount
The Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2014								
Financial Liabilities								
Hire purchase payables	-	-	-	-	2,074,917	-	2,074,917	2,055,862
Bonds	-	-	-	-	287,019,600	-	287,019,600	259,094,861

	Level 1	Level 2	Level 3	Level*	Value	Amount
The Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2013						
Financial Liabilities						
Hire purchase payables	-	-	-	1,379,749	1,379,749	1,377,295
Bonds	-	-	-	291,217,000	291,217,000	255,744,761

* Comparative fair value information is not presented by levels, by virtue of the exemption given in FRS 13.

The fair values above are for disclosure purposes and have been determined using the following basis:-

(i) The fair values of bonds are estimated based on their indicative market price as at the end of reporting period.

(ii) The fair values of hire purchase payables are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The rates using to discount the estimated cash flows are as follows:-

	The Group	
	2014	**2013**
	RM	**RM**
Hire purchase payables	4.20% - 5.50%	4.50% - 7.16%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

(i) On 9 December 2013, the Company acquired a total of 2 ordinary shares of RM1.00 each representing a 100% equity interest in Digistar Construction (M) Sdn. Bhd. (formerly known as Titanium Titan Sdn. Bhd.) for a total cash consideration of RM2.

(ii) On 26 August 2014, the Company's wholly-owned subsidiary, Digistar Holdings Sdn. Bhd. entered into three separate Share Sale Agreements to acquire a total of 350,000 ordinary shares of RM1.00 each representing 70% equity interests in Protecs A&A CMS Sdn. Bhd. for a total cash consideration of RM4,250,000.

Upon the completion of the proposed acquisition, Protecs A&A CMS Sdn. Bhd. became a subsidiary of the Company during the financial year.

(iii) During the financial year, the Company increased its investment in subsidiaries as follows:-

(a) The Company subscribed for the additional 2,500,900 ordinary shares of RM1.00 each of Rauland Asia Sdn. Bhd. ("RASB") by capitalising the indebtedness of RM2,500,900 owing by RASB to the Company.

(b) The Company subscribed for the additional 2,500,900 ordinary shares of RM1.00 each of Niesen Ward Sdn. Bhd. ("NWSB") by capitalising the indebtedness of RM257,348 owing by NWSB to the Company and a total cash consideration of RM2,243,552.

(c) The Company subscribed for the additional 5,000,000 ordinary shares of RM1.00 each of Seni Pujaan Sdn. Bhd. ("SPSB") by capitalising the indebtedness of RM5,000,000 owing by SPSB to the Company.

(d) The Company subscribed for the additional 2,500,998 ordinary shares of RM1.00 each of Matang Makmur Holdings Sdn. Bhd. ("MMHSB") by capitalising the indebtedness of RM2,500,998 owing by MMHSB to the Company.

(e) The Company subscribed for the additional 463,736 ordinary shares of RM1.00 each of Digistar Holdings Sdn. Bhd for a total cash consideration of RM463,736.

(f) The Company subscribed for the additional 2,500,998 ordinary shares of RM1.00 each of Digistar Construction (M) Sdn. Bhd ("DCSB") by capitalising the indebtedness of RM1,751,000 owing by DCSB to the Company and a total cash consideration of RM749,998.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

44. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained profits				
- realised	10,697,503	26,026,438	7,721,799	9,159,408
- unrealised	590,689	-	-	-
	11,288,192	26,026,438	7,721,799	9,159,408
Less: Consolidation adjustments	(6,421,518)	(15,511,568)	-	-
At 30 September	4,866,674	10,514,870	7,721,799	9,159,408

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 JANUARY 2015

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	121	5,114	0.001
100 to 1,000 shares	139	68,038	0.014
1,001 to 10,000 shares	1,264	8,307,204	1.821
10,001 to 100,000 shares	2,359	88,768,485	19.467
100,001 to less than 5% of issued shares	476	265,847,594	58.301
5% and above of issued shares	2	92,993,575	20.393
	4,361	455,990,010	100.000

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	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kenangan Lampiran Sdn Bhd (029)	65,098,526	14.276
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Datuk Lee Wah Chong (029)	27,895,049	6.117
3	Chang Mui Lang	16,266,695	3.567
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Leong Thun (E-SS2)	12,664,300	2.777
5	Siow Mee Fong	11,642,100	2.553
6	Star Heritage Development Sdn Bhd	8,538,000	1.872
7	Lee Wah Chong	7,565,400	1.659
8	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Choon Hor @ Lee Choon Tho	7,069,350	1.550
9	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Poh Chau	6,850,650	1.502
10	Wa Siew Yam	6,430,347	1.410
11	Wong Lok Sun @ Wong Lock Sau	5,800,000	1.271
12	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Simco Assets Sdn Bhd (E-SS2)	5,200,000	1.140
13	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Nyoh Moy (E-TMR)	4,390,000	0.962
14	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Secret Recipe Cakes & Café Sdn Bhd (E-SS2)	4,084,200	0.895

ANALYSIS OF ORDINARY SHAREHOLDINGS
AS AT 31 JANUARY 2015

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	%#
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tang Sing Ling	3,224,200	0.707
16	Low Chit Sin	3,000,000	0.657
17	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account Sim Leong Yew (E-SS2)	3,000,000	0.657
18	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Fut Ling (001)	2,775,570	0.608
19	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Hoong Kheong	2,728,800	0.598
20	UOB Kay Kian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,590,000	0.567
21	Sim Chee Tat	2,505,000	0.549
22	Kenanga Nominees (Tempatan) Sdn Bhd For Tan Mee Su (021)	2,500,000	0.548
23	Low Poh Ling	2,245,000	0.492
24	Ong Fee Chong	2,128,161	0.466
25	Ng Boo Kean @ Ng Beh Kian	1,979,900	0.434
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sim Liang Kang @ Sim Leong Keng (E-SS2)	1,900,000	0.416
27	Lee Choon Hor @ Lee Choon Tho	1,803,637	0.395
28	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Twee Yong	1,735,500	0.380
29	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An Philip Capital Management Sdn Bhd (EPF)	1,681,280	0.368
30	Low Poh Chan	1,542,690	0.338

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

No.	Shareholder	Direct Interest	%	Indirect Interest	%
1	LWC Capital Sdn Bhd (formerly known as Kenangan Lampiran Sdn Bhd)	65,098,526	14.28	-	-
2	Mejar (K) Datuk Wira Lee Wah Chong	35,459,749	7.78	71,528,873*	15.69

ANALYSIS OF ORDINARY SHAREHOLDINGS

AS AT 31 JANUARY 2015

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

Name Of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Mohd Zaman Khan @ Hassan B. Rahim Khan	-	-	-	-
Mejar (K) Datuk Wira Lee Wah Chong	35,459,749	7.78	71,528,873*	15.69
Lee Jin Jean	-	-	-	-
Lee Mely	-	-	-	-
Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
See Tai Soon	-	-	-	-

Notes:

* Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd (Formerly Known as Kenanga Lampiran Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965 ("the Act") and the shareholding of his spouse pursuant to Section 134(12)(c) of the Act.

\# Based on the issued and paid-up capital of the Company of 463,362,818 ordinary shares less 7,372,808 treasury shares retained by the Company as per Record of Depositors.

ANALYSIS OF WARRANT A
AS AT 31 JANUARY 2015

No. of Warrant A Issued	:	101,849,185
No. of Warrant A Exercised	:	NIL
No. of Warrant A Unexercised	:	101,849,185
Exercise Period	:	8 February 2007 to 7 February 2017
Voting Rights at the meeting of Warrant A Holders	:	Every warrant A holder of the Company present in person shall be entitled by a show of hand to one (1) vote and every Warrant A holders present in person or by proxy shall be entitled on a poll to one vote for each Warrant A held.

DISTRIBUTION SCHEDULE OF WARRANT A HOLDERS

Size of Holdings	No. of Holders	No. of Warrant A	%
Less than 100 warrants	157	5,835	0.005
100 to 1,000 warrants	43	15,504	0.015
1,001 to 10,000 warrants	234	1,198,700	1.176
10,001 to 100,000 warrants	605	22,909,872	22.493
100,001 to less than 5% of issued warrants	173	72,516,374	71.199
5% and above of issued warrants	1	5,202,900	5.108
	1,213	101,849,185	100.000

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANT A
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrant A Held	%
1	Susan Chin Yok Kim	3,402,000	3.340
2	Soony Geh Sim Chong	3,250,500	3.191
3	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Eng Nam (CEB)	2,400,000	2.356
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Secret Recipe Cakes & Café Sdn Bhd (E-SS2)	2,349,800	2.307
5	Ng Siew Chee	2,300,000	2.258
6	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Kwee Sow Fun (M96066)	2,080,000	2.042
7	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,060,000	2.022
8	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kwee Sow Fun	1,936,115	1.900
9	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Ham Burg	1,908,700	1.874
10	Ng Hock Lai	1,600,027	1.570
11	JF Apex Nominees (Tempatan) Sdn Bhd Huatai Financial Holdings (HK) Limited For GV Asia Fund Limited	1,450,595	1.424

ANALYSIS OF WARRANT A
AS AT 31 JANUARY 2015

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANT A (CONT'D)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrant A Held	%
12	Ong Fee Chong	1,357,450	1.332
13	Jennifer Lee Siew Foong	1,353,500	1.328
14	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sim Leong Yew (E-SS2)	1,328,200	1.304
15	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Seng Hooi @ Lee Hoi (E-SS2)	1,300,000	1.276
16	Lim Keng Chuan	1,126,439	1.105
17	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kerk Kheng Hock	1,066,341	1.046
18	Chua Mooi Hua	1,059,252	1.040
19	Lim Keng Chuan	1,030,401	1.011
20	Lee Lam Tat	1,020,000	1.001
21	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chen Sheau Wen	1,000,000	0.981
22	Lee Sim Hee	996,100	0.978
23	Sim Heok Hoo	930,000	0.913
24	Maybank Securities Nominees (Tempatan) Sdn Bhd Lai Choi Sang	920,990	0.904
25	Maybank Securities Nominees (Tempatan) Sdn Bhd Wong Hoong Kheong	915,332	0.898
26	JS Nominees (Tempatan) Sdn Bhd Amara Investment Sdn Bhd For Lai Chee Chuen (JS790)	835,000	0.819
27	Choo Swee Shyang	757,875	0.744
28	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Neo Tsuey Khem	750,000	0.736
29	Cheah Teik Chuan	706,000	0.693
30	Ng Huey Joon	700,000	0.687

ANALYSIS OF WARRANT A
AS AT 31 JANUARY 2015

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

Name Of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Mohd Zaman Khan @ Hassan B. Rahim Khan	-	-	-	-
Mejar (K) Datuk Wira Lee Wah Chong	-	-	-	-
Lee Jin Jean	-	-	-	-
Lee Mely	-	-	-	-
Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
See Tai Soon	-	-	-	-

ANALYSIS OF WARRANT B
AS AT 31 JANUARY 2015

No. of Warrant B Issued	:	74,024,334
No. of Warrant B Exercised	:	NIL
No. of Warrant B Unexercised	:	74,024,334
Exercise Period	:	5 April 2013 to 4 April 2023
Voting Rights at the meeting of Warrant B Holders	:	Every warrant B holder of the Company present in person shall be entitled by a show of hand to one (1) vote and every Warrant B holders present in person or by proxy shall be entitled on a poll to one vote for each Warrant B held.

DISTRIBUTION SCHEDULE OF WARRANT B HOLDERS

Size of Holdings	No. of Holders	No. of Warrant B	%
Less than 100 warrants	74	3,291	0.004
100 to 1,000 warrants	78	49,727	0.067
1,001 to 10,000 warrants	577	2,576,806	3.481
10,001 to 100,000 warrants	444	17,443,328	23.564
100,001 to less than 5% of issued warrants	95	35,572,182	48.054
5% and above of issued warrants	2	18,379,000	24.828
	1,270	74,024,334	100.000

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANT B
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrant B Held	%
1	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kenangan Lampiran Sdn Bhd (029)	13,595,019	18.365
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Datuk Lee Wah Chong (029)	4,783,981	6.462
3	Gan Seong Liam	2,838,000	3.833
4	Chang Mui Lang	1,800,000	2.431
5	Koo Yin @ Koo Kwee Yin	1,399,890	1.891
6	Abdul Sathar Bin M S M Abdul Kadir	1,300,000	1.756
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Gim Leong	1,077,200	1.455
8	Tang Boon Huat	1,054,400	1.424
9	Lee Sim Nee	1,000,000	1.350
10	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Nyoh Moy (E-TMR)	915,000	1.236
11	Lim Ah Kow	850,000	1.148
12	Chan Kim Moon	779,100	1.052
13	Koo King Tong	700,000	0.945

ANALYSIS OF WARRANT B
AS AT 31 JANUARY 2015

30 LARGEST SECURITIES ACCOUNT HOLDERS FOR WARRANT B (CONT'D)
(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrant B Held	%
14	Tiew Chin Seng	656,000	0.886
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Teo Ah Seng (PB)	644,500	0.870
16	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Hoong Kheong	623,550	0.842
17	Low Choon How	600,000	0.810
18	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kho Ping	600,000	0.810
19	Lim Seok Kim	521,800	0.704
20	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Teoh Chiu Eng (MY1675)	500,000	0.675
21	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Koh Chin Koon (MY0857)	476,075	0.643
22	Ong Fee Chong	456,034	0.616
23	Tan Ho Foot	431,500	0.582
24	Chan Shuk Ling	420,000	0.567
25	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Boon Huat	420,000	0.567
26	Tay Hock Tiam	418,900	0.565
27	Foong Poh Leen	413,000	0.557
28	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ting Heng Kai (N01108M)	400,000	0.540
29	Siti Zarwanie Binti Zakaria	400,000	0.540
30	Tor Kian Hong	400,000	0.540

ANALYSIS OF WARRANT B
AS AT 31 JANUARY 2015

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

Name Of Directors	Direct Interest	%	Indirect Interest	%
Tan Sri Datuk Mohd Zaman Khan @ Hassan B. Rahim Khan	-	-	-	-
Mejar (K) Datuk Wira Lee Wah Chong	4,783,981	6.46	13,605,186*	18.38
Lee Jin Jean	-	-	-	-
Lee Mely	-	-	-	-
Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
See Tai Soon	-	-	-	-

* Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd (Formerly Known as Kenanga Lampiran Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965 ("the Act") and the shareholding of his spouse pursuant to Section 134(12)(c) of the Act.

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2014

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	36 years	48,720	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 23/5/2089	19 years	356,352	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 23/5/2089	19 years	403,701	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 23/5/2089	19 years	288,974	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 23/5/2089	19 years	302,825	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 23/5/2089	19 years	274,808	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 23/5/2089	19 years	287,758	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 23/5/2089	19 years	309,865	2002

LIST OF PROPERTIES

AS AT 30 SEPTEMBER 2014

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 23/5/2089	19 years	447,054	2003
No 3, Jalan TU-3, Taman Tasik Utama, Ayer Keroh, 75450 Melaka.	Double storey shop house	Build-up area: 2,860, land area: 1,540	leasehold for 99 years expiring on 29/3/2097	14 years	144,773	2002
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 11/3/2095	12 years	45,000#	2005
C19, Jalan Ampang Utama 1/1, Taman Ampang Utama, 68000 Ampang, Selangor	A corner office lot in 4 storey shop/ Office unit	Build-up area: 8,124, land area: 1,920	Leasehold for 99 years expiring on 7/5/2083	21 years	1,034,916	2005
500, Jalan Ampang Utama 1/1, Taman Ampang Utama, 68000 Ampang, Selangor	Double Storey commercial building	Build-up area: 8,938, land area: 6,175	Leasehold for 99 years expiring on 2/2/2076	22 years	2,787,683	2010
499, Jalan 5, Taman Ampang Utama, 68000 Ampang, Selangor	Vacant land	Land area: 8150	Leasehold for 99 years expiring on 25/1/2077	N/A	2,422,893	2011
1-2-37, I-Avenue, Medan Kampung Relau 1, Bayan Lepas, 11900 Penang	An intermediate office lot in a 4 storey shop/ Office Unit	978	Freehold	3 years	370,883	2012
C1-0419, Jalan Indah 15, Taman Bukit Indah, Nusajaya, Johor	An intermediate office lot in a 5 storey shop/ Office Unit	947	Freehold	2 year	375,375	2013
PT 834 Melaka Tengah, Kawasan Bandar XXX1X	Vacant Land	4290	Leasehold for 99 years expiring on 29/6/2107	N/A	1,303,333	2011

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Digistar Corporation Berhad will be held at Executive Meeting Room 3, Level 2, De Palma Hotel Ampang, Jalan Selaman 1/2 , Palm Square, Jalan Ampang, 68000 Ampang, Selangor Darul Ehsan on Thursday, 26 March 2015 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Businesses:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2014 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Note 1)**

2. To re-elect the following Directors who are retiring under Article 86 of the Articles of Association of the Company:

   2.1 Lee Mely **(Ordinary Resolution 1)**

   2.2 Dato' Haji Ishak Bin Haji Mohamed **(Ordinary Resolution 2)**

3. To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:

   "THAT, Tan Sri Datuk Mohd Zaman Khan @ Hassan B Rahim Khan retiring pursuant to Section 129 of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company and to hold office until the conclusion of the next Annual General Meeting". **(Ordinary Resolution 3)**

4. To re-appoint Messrs Crowe Horwath as Auditors for the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

As Special Businesses:

To consider and if thought fit, pass the following Ordinary Resolutions:

5. **Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

   "THAT, subject to the Companies Act, 1965 the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government /regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad." **(Ordinary Resolution 5)**

NOTICE OF ANNUAL GENERAL MEETING

6. **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"), 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 Main 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 retained by the Company as treasury shares pursuant to this resolution shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company during the authorised period;

(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 2014, the retained profits and share premium account of the Company were RM7,721,799 and RM24,347,220 respectively. Based on the unaudited First Quarter results for the period ended 31 December 2014, the retained profits and share premium account of the Company were RM7,644,538 and RM29,276,057 respectively;

(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 dividend 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 Listing Requirements of the Bursa Securities and any other relevant authority for the time being in force." **(Ordinary Resolution 6)**

BY ORDER OF THE BOARD

TAN BEE HWEE (MAICSA 7021024)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Kuala Lumpur
4 March 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Twelfth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 19 March 2015. Only a depositor whose name appears on the Record of Depositors as at 19 March 2015 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/her stead.

2. A member entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend, speak and vote in his/her stead. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. 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.

5. The instrument appointing a proxy or the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding of the meeting.

6. If the Form of Proxy is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Form of Proxy is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Form of Proxy.

Explanatory Notes

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 5 of the Agenda

The Ordinary Resolution 5 is proposed to seek for a renewal of general authority pursuant to Section 132D of the Companies Act, 1965, if passed, it will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

As at the date of this notice, no new shares in the Company were issued pursuant to the general authority to the Directors for issuance of shares pursuant to Section 132D of the Companies Act, 1965 ("the Act") at the 11th Annual General Meeting ("AGM") held on 28 March 2014 and which will lapse at the conclusion of the 12th AGM.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organise a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

3. Item 6 of the Agenda

The proposed Ordinary Resolution 6, if passed, will empower the Company to purchase and/or hold up to a maximum of ten per centum (10%) of the issued and paid-up share of the Company at any point of time, by utilising the amount allocated which shall not exceed the total retained profits and/or share premium account of the Company, subject to the Act, Listing Requirements of Bursa Securities, any prevailing laws, orders, requirements, rules, regulations and guidelines issued by the relevant authorities at the time of purchase. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

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

FORM OF PROXY

DIGISTAR CORPORATION BERHAD
(603652-K)
(Incorporated in Malaysia)

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

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

of ....

....
(FULL ADDRESS)

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

....
(FULL NAME IN BLOCK CAPITALS)

NRIC No. .... 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 Twelfth Annual General Meeting of the Company to be held at Executive Meeting Room 3, Level 2, De Palm Hotel Ampang, Jalan Selaman ½, Palm Square, Jalan Ampang, 68000 Ampang Selangor Darul Ehsan on Thursday, 26 March 2015 at 10.30 a.m. and at any adjournment thereof.

*My/our proxy is to vote as indicated below:

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

(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:

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

Signed this .... day of 2015

....
Signature/Common Seal of Member

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Twelfth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 19 March 2015. Only a depositor whose name appears on the Record of Depositors as at 19 March 2015 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/her stead.
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3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. The instrument appointing a proxy or the power of attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding of the meeting.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

DIGISTAR

DIGISTAR CORPORATION BERHAD

COMPANY SECRETARY

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

1st fold here

DIGISTAR CORPORATION BERHAD
(603652-K)

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

www.digistar.com.my