DIGISTAR

DIGISTAR CORPORATION BERHAD

COMPANY NO. : 200301001232 (603652-K)

2022 ANNUAL REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' Ir. Hj. ZAINI bin OMAR
Independent Non-Executive Chairman

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

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

Thee Kok Chuan
(Independent Non-Executive Director)

Lee Mey Ling
(Executive Director)

Lee Jin Jean
(Executive Director)

Lee Chun Szen
(Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Independent Non-Executive Chairman)

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

Thee Kok Chuan
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Chairman
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Independent Non-Executive Chairman)

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

Thee Kok Chuan
(Independent Non-Executive Director)

REMUNATION COMMITTEE

Chairman
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Independent Non-Executive Chairman)

Members
Dato' Haji Ishak Bin Haji Mohamed
(Senior Independent Non-Executive Director)
Mejar (K) Datuk Wira Lee Wah Chong
(Group Managing Director)
Thee Kok Chuan
(Independent Non-Executive Director)

COMPANY SECRETARY

Wong Youn Kim (MAICSA 7018778)
SSM Practising Certificate No. 201908000410

REGISTER OFFICE

Level 5, Tower 8, Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Tel : (03)22806388
Fax : (03)22806399

CORPORATE OFFICE

B6/4/4, 3rd Floor
One Ampang Business Avenue
Jalan Ampang Utama 1/2
68000 Ampang
Selangor Darul Ehsan
Tel : 03-42534319
Fax : 03-42572168

AUDITOR

UHY
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-22793088
Fax : 03-22793099

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-27839299
Fax : 03-27839222

PRINCIPLE 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 CORPORATE STRUCTURE

DIGISTAR

DIGISTAR CORPORATION BERHAD

Registration No.: 200301001232 (603652-K)

- Seni Pujaan Sdn Bhd (100%)
- Rauland Asia Sdn Bhd (100%)
- Mulia Optima Sdn Bhd (100%)
- Sakura Management Travel & Tours Sdn Bhd (100%)
- Jaya Persada Sdn Bhd (100%)
- Digistar Holdings Sdn Bhd (100%)
  - Digistar Properties Sdn Bhd (100%)
  - Protecs A& A CMS Sdn Bhd (98%)
  - Wemal Maxi-Protect Sdn Bhd (51%)
  - Panorama Tv Asia Broadcast Sdn Bhd (60%)
- Digistar Construction (M) Sdn Bhd (100%)
- Full Image Sdn Bhd (100%)
- Matang Makmur Holdings Sdn Bhd (100%)
  - Indera Persada Sdn Bhd (70%)
- Nielsen Ward Sdn Bhd (100%)

DIVISION 1

SYSTEM ENGINEERING AND INTEGRATION

A. AUDIO VISUAL ENGINEERING
B. TOTAL SECURITY ENGINEERING
C. BROADCAST ENGINEERING

DIVISION 2

INTERACTIVE PAY TV (IPTV)

DIVISION 3

CENTRAL MONITORING SYSTEM

DIVISION 4

PROPERTY DEVELOPMENT AND CONSTRUCTION

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DIRECTORS' PROFILE

TAN SRI DATO' IR. HJ. ZAINI BIN OMAR
(INDEPENDENT NON-EXECUTIVE CHAIRMAN)

Tan Sri Dato' Ir. Hj. Zaini Bin Omar, a Malaysian aged 73, was appointed as the Chairman of the Company on 10 March 2017. He graduated with a Bachelor of Engineering from James Cook University of North Queensland, Australia and Bachelor of Laws from University Of London. He obtained his professional engineering status in 1986 and was admitted as an Advocate and Solicitor in 1988. He started as electrical engineer serving from 1975 to 1989. From 1990 to 1994, he was second- ed to the Department of Electricity Supply, ending up as the Deputy Director General. From 1995 to 1999, he was the Director General of Department of Civil Aviation ("DCA"). He saw over the construction of the KLIA and he was also responsible for stabilising the DCA which was in turmoil for many years. He also oversaw the growth of the aviation sector.

In year 2000, he returned to JKR as the Deputy Director General 1. In October, the same year, he was promoted to the post of Director General and retired in 2005. He was then appointed as the first Chairman of Suruhanjaya Pengurusan Air Negara, the water regulatory body. He was also appointed as the Head of the Special unit for overseas project at unit Perancang Ekonomi until 2009.

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.

Tan Sri Dato' IR. HJ. Zaini Bin Omar attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 30 September 2022.

MEJAR (K) DATUK WIRA LEE WAH CHONG
(GROUP MANAGING DIRECTOR)

Mejar (K) Datuk Wira Lee Wah Chong, a Malaysian aged 64, was appointed as the Group 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, Mejar (K) Datuk Wira Lee Wah Chong 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 sister, Ms Lee Mey Ling, his daughter, Ms Lee Jin Jean and his son, Mr Lee Chun Szen are members of the Board.

Mejar (K) Datuk Wira Lee Wah Chong attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2022.

DIRECTORS' PROFILE

DATO' HAJI ISHAK BIN HAJI MOHAMED

(SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR)

Dato' Haji Ishak Bin Haji Mohamed, a Malaysian aged 69, was appointed as Senior Independent Non-Executive Director of the Company on 27 May 2011. He was also simultaneously appointed as a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. He graduated from University of Wisconsin USA with a Master 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 2022.

THEE KOK CHUAN

(INDEPENDENT NON-EXECUTIVE DIRECTOR)

Mr. Thee Kok Chuan, a Malaysian aged 46, was appointed as an Independent Non-Executive Director of Digistar Corp. Bhd on 26 May 2016. Mr. Thee began his accounting profession as an Audit Assistant where he served the firm for four years. Thereafter, he joined a medium-size audit rm as a Senior Auditor and promoted to the Head of Audit thereafter. He has more than 12 years of audit, accounts, GST advisor practice experience, he handled small and medium-sized audits, accounts and GST for companies engaged in trading, manufacturing, plantation, construction, property holding and service industries. He has been involved in government agencies' audit. He is actively involved in the society to carry out his social responsibility and contribution. Mr. Thee started his own practice, an accounting firm, in the year 2005, Mr Thee is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants ("MIA"), Chartered Tax Institute of Malaysia ("CTIM") and fellow member of the Association of Chartered Certified Accountants ("ACCA") of United Kingdom.

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. Thee Kok Chuan attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2022.

DIRECTORS' PROFILE

LEE JIN JEAN
(EXECUTIVE DIRECTOR)

Ms. Lee Jin Jean, a Malaysian aged 34, was appointed as Executive Director on 7 August 2013. She completed her professional studies at the Australia National University, graduating with a Degree in Economics 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 Madam Lee Mey Ling and her brother, Mr Lee Chun Szen 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.

Ms. Lee Jin Jean attended four (4) out of five (5) Board of Directors' Meeting held during the financial year ended 30 September 2022.

LEE MEY LING
(EXECUTIVE DIRECTOR)

Ms. Lee Mey Ling, a Malaysian aged 49, was appointed as Executive Director on 30 May 2018. She graduated from University of Curtin University of Technology, Western Australia with Bachelor of Accountancy in 1997. She was admitted as a member of Malaysia Institute of Accountants and the Associate of Certified Practicing Accountant (CPA) in 2003. She started her career with Deloitte in 1998 and resigned as Audit Senior in 2003. She joined Glomac Berhad as Assistant Manager for three (3) years from 2003 to 2006 before joining a multinational company, Sumiden Electronic Material (M) Sdn Bhd, a subsidiary company of Sumitomo Electronic in Japan. She joined Digistar Group on 1 June 2014.

She does not have any directorship in other public companies.

Her brother, Mejar (K) Datuk Wira Lee Wah Chong, and her niece Ms Lee Jin Jean and her nephew, Mr Lee Chun Szen 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

Ms. Lee Mey Ling attended all five (5) Board of Directors' Meeting held during the financial year ended 30 September 2022.

DIRECTORS' PROFILE

LEE CHUN SZEN
(EXECUTIVE DIRECTOR)

Mr Lee Chun Szen, a Malaysian aged 31, was appointed as Executive Director of the Company on 10 April 2015. He has completed his studies in the Royal Melbourne Institute of Technology as a graduate and obtaining his Diploma studies in Engineering. He has gained experience in the Engineering industry. Mr Lee owns his own IT business in Australia having great experience in the IT business. Mr Lee has also worked for a few months in an emerging Oil & Gas Company in Australia during his school days.

He does not have any directorship in other public companies.

His father, Mejar (K) Datuk Wira Lee Wah Chong, his aunty Madam Lee Mey Ling and his sister Ms Lee Jin Jean are members of the Board.

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. Lee Chun Szen attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 30 September 2022.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD HUZAIDY BIN ADNAN
Senior General Manager of Imperial Heritage Hotel Melaka

Huzaidy, male, Malaysian, aged 51, joined Digistar Group on 1st October 2020. He has served in the hospitality industry for the past 27 years, starting his career as a bell boy at Hotel Malaya Bukit Bintang.

Over the years, he has been attached to numerous hotels across Malaysia. He was appointed as President for MyBHA Negeri Sembilan Chapter from 2007 to 2009 whilst holding the position of Hotel Manager at Hotel Mesra Port Dickson. At the same time, he also served as an advisor to the Malaysian Cooperative Commission (MCC) for Entry Point Projects (EPPs) as part of the National Cooperative Tourism Movement and presented a project paper on matching grants to registered cooperative members with MCC to the Minister of Ministry of Entrepreneur Development and Cooperatives for Cabinet approval.

From 2011 to 2017, he was attached to My Hotel Management Sdn Bhd as Resident Manager, before being promoted to General Manager at My Hotel Langkawi and Gold Sand Hotel Langkawi. He then transferred to Tanjung Bidara Beach Resort Melaka as General Manager in 2017, serving for another 3 years before joining our ranks.

Currently, he holds the position as Exco Member for MAH (Malaysian Association Hotel) Melaka Chapter. During the Covid-19 Pandemic, he was appointed as Commander For PKRCs to manage the Covid-19 patient that getting treatment at PKRCs. After the Pandemic, he was invited to join Melaka Tourism Board (BPP) and Melaka Chief Minister Office to Tourism Business Mission to Indonesia. As for now he still involves in Melaka “Think Tank Group” for Melaka Tourism Board.

CHAIRMAN'S STATEMENT

"Dear Shareholders, On behalf of the Board of Directors, I am pleased to present the Annual Report for Digistar Corporation Berhad "Digistar" the financial year ended 30 September 2022."

REVIEW OF PERFORMANCE

The Group recorded revenue of RM49.89 million for financial year 2022, 27% higher than the previous year of RM39.16 million. Our loss before tax at RM2.03 million. Loss per share ended at 0.64 sen in 2022 as compared to loss per share of 0.76 sen in 2021. The Group shareholder funds for FY2022 reduced to RM60.92 million as compare to RM66.17 million for FY2021 while the Net Asset Per Share was 16 sen for FY 2022 as compared to 6 sen for FY 2021. The concession segment's revenue constituted 53% of our Group's revenue and the hospitality segment's revenue has increased to RM14.20 million in Year 2022 from RM8.10 million in Year 2021.

OUTLOOK

With the opening of the interstate travel and the border in the last quarter of Year 2021, one of our most popular hotels, the Imperial Heritage located in the heart of Melaka has seen a quick rebound in occupancy rates to pre-covid numbers.

Our securities division has also been aggressively expanding and capturing market share in the securities and monitoring market. With expansion plans in the horizon as well as investments in new securities related technology, we are expecting this department to continue growing and to eventually be a market leader in Malaysia for this industry.

On a separate positive note, Malaysia's domestic economy is projected to grow between 4.0% - 5.0% in 2023. In view of this, we are positive on our business outlook in achieving further growth for the Company.

APPRECIATION

On behalf of the Board of Directors, I would like to extend our sincere appreciation to the management and employees at all levels in the Group for their support and commitment thus far. We also thank you, our shareholders, customers, suppliers, bankers, business associates and partners for the continuous support in Digistar.

TAN SRI DATO' IR. HJ. ZAINI BIN OMAR
Chairman

18 January 2023

MANAGING DIRECTOR'S REPORT

"The Group reported a revenue of RM49.89 million as compared to RM39.16 million in the previous year. The Group incurred a loss before tax of RM2.03 million as compared to a loss before tax of RM7.96 million in preceding year."

Our maiden property, the Imperial Heritage Hotel located in the heart of Melaka (built on a UNESCO World Heritage site) continues to provide a positive contribution to the Group's results. The revenue for the Imperial Heritage hotel was RM14.20 million for FY2022, an increase of 75% compared to previous year. This increase was caused by the uplift of the restriction on international and interstate travel imposed during the Covid-19 pandemic.

Our Group also has some competitive advantages and key strengths that enables the Group to compete successfully as well as to provide the Group with growth prospects. Listed below are some of the Group's competitive advantages and key strengths:

(i) Our Group's track record and established reputation as a comprehensive system integration solutions provider since the commencement of its business in 1982.
(ii) The Group's experience in constructing Private Finance initiative ("PFI") projects for the government of Malaysia.
(iii) Experience in hospitality and hotel management has led to some of our properties being converted to Covid hospital and quarantine centre during the peak of the pandemic. We will also be looking to expand our reach internationally this year and expanding the Heritage brand.
(iv) The Group's subsidiary, Full Image Sdn Bhd ("FISB") has been capturing market share in the securities and monitoring services industry and has a high potential for exponential growth with recent addition of big clients as part of the customer base.

In view of the above, our Board believes that the prospect of the Group is favourable after considering all of 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 to remain prudent and vigilant in its actions and proactive in its management while operating in unprecedented times and a highly competitive and challenging business environment. I believe that FY2023 will be a positive year for Digistar. 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 the challenging year that is FY2022. I also wish to extend my sincere thanks to my fellow Board members for their commitment and invaluable service. I hope the relationships we have nurtured will continue to flourish well into the future.

MEJAK (K) DATUK WIRA LEE WAH CHONG
Managing Director

18 January 2023

MANAGEMENT DISCUSSION AND ANALYSIS

"This Management Discussion & Analysis [MD & A] of Financial Condition and Results of Operations formally cover from 1 October 2021 to 30 September 2022.

Overview of results

We started as an Investment holding company. Through our subsidiaries, we are principally involved in the system integration i.e. 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 and 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.

Over the past 7 years, the group diversified into construction, property development, central monitoring system (CMS) and hotel management.

Our gross revenue for the Group is RM49.89 million and was mainly generated from our PFI project where we built a JKR training centre for the government. For the FY 2022, this project contributed approximated RM26.53 million or 53% of our Group's revenue. The systems integration division contributed RM9.16 million for the Group's revenue which constitute 18% of the total revenue.

The remaining were contributed from hotel management, trading of electronic and electrical components and products, electronic systems maintenance and support services, interactive Pay TV as well as rental income received from 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.
- **Panorama Tv Asia Broadcast 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 (M) Sdn Bhd**, which deals in construction work of our PFI project and others.
- **Sakura Management Travel & Tours Sdn Bhd**, which is principally involved in Property management.
- **Mulia Optima Sdn Bhd**, which is principally involved in Property development.

MANAGEMENT DISCUSSION AND ANALYSIS

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 security sectors, whilst also providing software and equipment for our system engineering and integration services. We also provide after-sales support to our customers by providing systems and equipment maintenance services.

Our other business activities include interactive Pay TV, property holding, central monitoring system, telecommunication, property development and construction activities.

- **Central Monitoring System division**

  As one of the purveyors of a unique central monitoring system which utilizes next gen technology instead of being solely dependent on cameras, we believe prevention is key in building this division. This department has been expanding aggressively to capture market share. Some of our clients currently include banks and some big industrial names.

- **Construction division**

  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 is 18 years which covers the construction period of 3 years and asset management services period for 15 years from 1 September 2016 – 31 August 2031.

- **Hotel Management – The Heritage**

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

  THE HERITAGE is a unique and exciting development that combines 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 HERITAGE meets the demands of the many millions of visitors to Melaka every year. THE HERITAGE is complete with facilities such as centralized MATV & IPTV systems, WIFI and internet access, 24 hours security systems, one of the biggest indoor playground in Melaka as well as Malaysia's first indoor Himalayan salt detox rooms

  Having rebound from the opening of the border and interstate travel in last quarter of 2021, this division generated revenue of RM14.20 million to the Group and reduced the loss before tax to RM2.02 million. We have also seen occupancy rates returning to pre covid numbers with the country moved into the endemic of Covid-19.

SUSTAINABILITY STATEMENT

The Group strives to adopt a progressive approach in integrating sustainability in everything that we do. We believe that firm commitment to sustainability form the foundation of good corporate citizenship and upholds the utmost level of corporate governance. We endeavour to manage our business in a socially responsible manner that align to our Group's business strategy. Apart from looking into the interest of our stakeholders, customers, investors, employees and suppliers, we also pay attention in creating a favourable influence on the large community.

HUMAN CAPITAL DEVELOPMENT

The Group 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.

WORKPLACE

The Group is committed to treat our employees with respect and dignity. We continually strive to create an inspiring conducive environment.

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.

COMMUNITY

The Group recognizes the importance of adhering to the environment and social needs of the community and will take proactive action in relation to our corporate social responsibility activities, Digistar had contributed philanthropically towards the community in support of charitable event and education.

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.

PROFESSIONAL DEVELOPMENT AND 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.

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY
(“Proposed Share Buy-Back Renewal”)

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

2. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE BY DIGISTAR CORPORATION BERHAD (“DIGISTAR” OR “THE COMPANY”) OF ITS OWN ORDINARY SHARES (“DIGISTAR SHARES(S)”) OR “SHARES(S)”) ON THE MAIN MARKET OF BURSA SECURITIES OF UP TO TEN PER CENTUM (10%) OF ITS EXISTING TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL”)

Any share buy-back, if implemented pursuant to the proposed Renewal, is expected to potentially benefit the Company and its shareholders as follows:

(A) It will enable the Company to utilise its surplus financial resources which is not immediately required for other uses to purchase Digistar Shares from the market. This may help to stabilise the supply and demand of Digistar Shares traded on the 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 purchased Digistar Shares can be held as treasury shares and resold on the Main Market of Bursa Securities at a higher price with the intention of realising potential gain without affecting the total number of issued shares 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

Based on the audited financial statements for the year ended 30 September 2022, the retained earnings of the Company stood at RM6,955,405.

4. SOURCE OF FUNDS

The funding for the proposed Share Buy-Back will be from Company’s 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 to be bought back. There is no restriction on the type of funds which may be utilised for the proposed Renewal so long as it is backed by an equivalent amount of retained profits of the Company.

In the event of the Company decides to utilise external borrowings to finance the proposed Renewal, there will be a reduction in its net cash flow to the extent of the interest cost associated with such borrowings but the Board of Directors (“Board”) of Digistar does not foresee any difficulty in the serving of interest and repayment of the borrowings used for the proposed Share Buy-Back, if any. Based on the audited consolidated financial statements of Digistar as at 30 September 2022, the Group has a net cash and cash equivalent balance of approximately RM19,743,999.

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY (“Proposed Share Buy-Back Renewal”)

5. DIRECT AND INDIRECT INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, Substantial Shareholders and persons connected to the Directors and /or Substantial Shareholders (as defined in the Listing Requirements of Bursa Securities) have any direct or deemed interest in the Proposed Renewal of Shareholders' Mandate for Share Buy-Back and resale of Treasury Shares (if any).

The effect of the Proposed Share Buy-Back Authority on the shareholdings of the Directors and Existing Major Shareholders of the Company based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 13 January 2023 assuming the Proposed Share Buy-Back Authority is carried out in full by the Company are as follows:

Directors' Shareholdings

	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mejar (K) Datuk Wira Lee Wah Chong	-	-	-	-	-	-	116,875,549	28.620
Lee Jin Jean	109,523	0.024	-	-	109,523	0.024	-	-
Lee Chun Szen	109,523	0.024	-	-	109,523	0.024	-	-
Lee Mey ling	83,333	0.018	-	-	83,333	0.018	-	-

Notes:-

(1) The indirect interest of 116,875,549 shares comprised:
(a) 116,656,503 shares held by LWC Capital Sdn Bhd ("LWCSB") by virtue of his interest in LWCSB.
(b) 109,523 shares held by his daughter, Lee Jin Jean pursuant to Section 59(11)(c) of the Companies Act 2016.
(c) 109,523 shares held by his son, Lee Chun Szen pursuant to Section 59(11)(c) of the Companies Act 2016.

Substantial Shareholders' Shareholdings

	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mejar (K) Datuk Wira Lee Wah Chong	-	-	116,875,549	25.896	-	-	116,875,549	28.62
LWC Capital Sdn Bhd	116,656,503	25.85	-	-	116,656,503	28.56	-	-
Star heritage development sdn. Bhd.	25,653,806	5.684	-	-	25,653,806	6.28	-	-
Lee Kok Choong	-	-	25,653,806	5.684	-	-	25,653,806	6.28

Notes:-

(1) The indirect interest of 116,875,549 shares comprised:
(a) 116,656,503 shares held by LWC Capital Sdn Bhd ("LWCSB") by virtue of his interest in LWCSB.
(b) 109,523 shares held by his daughter, Lee Jin Jean pursuant to Section 59(11)(c) of the Companies Act 2016.
(c) 109,523 shares held by his son, Lee Chun Szen pursuant to Section 59(11)(c) of the Companies Act 2016.

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY (“Proposed Share Buy-Back Renewal”)

6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THEPROPOSEDSHARE BUY-BACK

For the potential advantages of the proposed Share Buy-Back to the Company and its shareholders, kindly refer to section 2 of this Statement.

The potential disadvantages of the proposed Share Buy-Back to the Company and its shareholders are as follows:

(a) the proposed Share Buy-Back will reduce the financial resources of the Digistar and its subsidiaries (“Group”) and may result in the Group forgoing better investment opportunities that may emerge in the future;

(b) the cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance a share buy-back;

(c) as the proposed Share Buy-Back can only be made out of the retained profits 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 Share Buy-Back will 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. PUBLIC SHAREHOLDING SPREAD

As at 13 January 2023, the public shareholding spread of the Company based on the Issued Share Capital was 68.40%. Assuming the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back of 10% of the total number of issued share capital of the Company is carried out in full, and the number of the Company Shares held by the substantial shareholders, Directors and persons connected to the substantial shareholders and/or Directors remain unchanged, the public shareholding spread of the Company would reduce to approximately 64.87%. However, the Company will ensure that it will not purchase its own Shares which will result in the Company’s public shareholding spread falling below the minimum requirement of 25%.

Notwithstanding the above, the Company, in implementing any share buy-back, will be mindful in ensuring that the aforesaid public shareholding spread requirement under paragraph 8.02(1) of the Main Market listing Requirements of Bursa Securities is met and maintained at all times.

8. FINANCIAL EFFECT

The financial effects of share buy-back under the proposed Share Buy-Back 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

Assuming the Proposed Renewal Shareholders’ Mandate for Share Buy-Back is carried out in full by the Company, the maximum number of shares that the Company can cancel is limited to 45,379,076 shares. The proforma effect on total number of issued share capital of the Company of such a cancellation of shares is summarised below:

	No. of Shares
Total number of issued Share Capital as at 13 January 2023	453,790,764
Less: Maximum number of Shares that may be cancelled	45,379,076
Reduced Issued and Paid-Up Share Capital in the event that the Purchased Shares are cancelled	408,411,688

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

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY (“Proposed Share Buy-Back Renewal”)

(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 total number of issued shares of the Company pursuant to a share buy-back will, generally, with all else being equal, have a positive impact on the consolidated earnings per share of the Company.

(C) NA

The effect on the consolidated NA of the Company will depend on the number of Digistar Shares to be purchased, the purchase price of the Digistar Shares, the effective cost of funding and the treatment of the purchased Digistar Shares.

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 2022. Barring unforeseen circumstances, the dividends to be declared by Digistar, if any, in respect of the current financial year ending 30 September 2022 would depend on amongst others, the cash availability, retained profits, cash flow 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.

9. IMPLICATION OF THE MALAYSIAN CODE ON TAKEOVERS AND MERGERS 2016 (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 Malaysia (“SC”) under the Code.

Based on the Register of Substantial Shareholders as at 13 January 2023, the substantial shareholder of the Company, namely LWC CAPITAL SDN BHD has a shareholding of 116,656,503 shares and STAR HERITAGE DEVELOPMENT SDN. BHD has a shareholding of 25,653,806., through its direct shareholdings, representing approximately 25.85% and 5.68% equity interest respectively in the Company.

The Board does not anticipate any implication relating to the Code on the Company and its Shareholders in the event the Proposed Share Buy-Back Authority of up to ten percent (10%) of the issued and paid-up capital of the Company is carried out in full.

10. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF TREASURY SHARES IN THE PRECEDING 12 MONTHS

In the preceding 12 months from the LPD, the Company did not purchase any Digistar Shares from the open market or transfer, resale and/or cancel any treasury shares.

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY ("Proposed Share Buy-Back Renewal")

11. HISTORICAL SHARE PRICE

The monthly highest and lowest share prices of the Digistar Shares as traded on Main Market of Bursa Securities for the past 12 months from January 2022 to December 2022 are set out below:

	HIGH (RM)	LOW (RM)
2022		
January	0.225	0.165
February	0.195	0.165
March	0.165	0.135
April	0.165	0.120
May	0.180	0.105
June	0.110	0.095
July	0.120	0.090
August	0.105	0.095
September	0.105	0.080
October	0.095	0.070
November	0.095	0.080
December	0.100	0.060
last transacted share price on LPD	0.060	

(Source: Investing.com)

12. 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.

13. 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 favour of the resolution in relation to the proposed Renewal to be tabled at the forthcoming Annual General Meeting ("AGM").

14. 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 an informed assessment as to the merits of approving the proposed Renewal and the extent of the risks involved in doing so.

Appendix I

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board of the Company who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENT FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, during normal business hours from the date of this Statement to the date of the Twentieth AGM:-

(a) Constitution of the Company; and

(b) Audited consolidated financial statements of the Company for the financial years ended 30 September 2021 and 30 September 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Digistar Corporation Berhad ("DCB" or "the Company") is committed to uphold the high standards of corporate governance throughout DCB and its subsidiaries ("the Group") with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders. This Corporate Governance Overview Statement sets out the extent to which the Company has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance ("MCCG") except where stated otherwise.

Details of the Group's application of each practices set out in the MCCG are disclosed in the Corporate Governance Report, which is available on the Group's website at www.digistar.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Practice 1.1 - Board duties and responsibilities

The Board is responsible for the overall oversight and management of the Group. The Board has established 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 Board is committed to take full responsibility for the overall corporate governance of the Group.

In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, board committees and board meeting. The key elements of governance principles embedded in the Board Charter regulate the Board's conducts and guide the business strategic initiative of the Group. The Board Charter is available on the Company's website at www.digistar.com.my

The Board has established three (3) Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed periodically in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities.

The Chairmen of the various committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

Practice 1.2 and 1.4 – The Board Chairman

The Independent Non-Executive Chairman, Tan Sri Dato' Ir. Hj. Zaini bin Omar is capable to lead the Board based on his entrepreneurial leadership and at the same time guided by the independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board. The Chairman plays an instrumental role in providing leadership to the Board for all aspects of the Board's roles and responsibilities, ensuring that operations conform to the Board's strategic directions, Company's vision and corporate policies, as well as facilitating the communication and understanding between the Management and the Board. The Chairman presides over board meetings and ensures that all directors' views are heard, ensures sufficient time for discussion of each agenda, and provides fair opportunity to all directors to participate actively and constructively during the meetings and discussions.

The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee-level deliberations by the Chairman of the Board. The decision-making processes of the respective Committees are collectively made in accordance with the Terms of Reference of each Committee, as well as all other applicable policies and procedures. Tan Zaini, who is respected by both Directors and Management for his broad knowledge, vast past experience and dynamism, has continuously promote objectivity across the Board Committees. More information on the Tan Sri Zaini's detailed experience and background can be found in the Annual Report 2022. Tan Sri Zaini also showed impartiality in his judgement and conduct.

Given the diverse skills and competencies of the Directors, particularly the Independent Directors and the Chairman's wealth of experience, the NC and RC are often able to leverage on the knowledge, accumulated experience and insights of the Chairman in making key Committee decisions, that are made in the best interests of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 1.3 - Separation In The Roles Of Chairman And Chief Executive Officer

There is clear division of the roles and responsibilities between the Company's Chairman and Group Managing Director to ensure a balance of control, power and authority. The Board is led by Tan Sri Dato' Ir. Hj. Zaini bin Omar as Independent Non-Executive Chairman and the executive management is led by Mejar (K) Datuk Wira Lee Wah Chong, the Group Managing Director. The Chairman is responsible for ensuring Board effectiveness and conduct of the Board. The Group Managing Director assumes the overall responsibility for the Group's operational activities and effectiveness and implements the Board's policies, strategies and decisions. The Group Managing Director is responsible to the Board for day-day management of the Company and the Group. The role of the Chairman and the Group Managing Director are clearly defined in the Board Charter.

Practice 1.5 - Company Secretary

The Board is supported by Company Secretary in discharging its duties and functions who is a member of the Malaysia Institute of Chartered Secretaries & Administrators ("MAICSA"). The appointment of Company Secretary is based on the capability and proficiency as determined by the Board. The Directors have unrestricted access to the advice and services of the Company Secretary to enable the Directors to discharge their duties effectively. The Company Secretary ensures that the Board is regularly updated on their obligations under relevant regulatory requirements such as Main Market listing Requirements ("MMLR") of Bursa, codes or new statutes issued from time to time and are fulfilled in a timely manner.

The Company Secretary also attends all Board, Board Committee and general meetings, and ensure that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the respective Board Committees and signed by the Chairman of the meeting.

All Directors have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business of the Group.

Practice 1.6 - Information and support for Directors

The Board papers comprising of due notice of issues to be discussed and supporting information and documentations were provided to the Board at least seven (7) days before the date of the meeting. This is to ensure that the Directors are given sufficient time to read the Board papers and seek any clarification that they may need from Management or to consult the Company Secretaries or independent advisers before the Board Meetings, if necessary.

This enables the Directors to discuss the issues effectively at the board meetings. The Board has access to all information within the Company as a full Board to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.

All Directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with.

The Chairman of the Board Committees, namely, the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee briefs the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings. When necessary, all Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated.

Practice 2.1 – Board Charter

The responsibilities and duties of all the Board Members, Board committees and Management are clearly stated in the Board Charter and it is made available for reference on the Company's website. It serves to ensure that all the parties mentioned above who act on the Group's behalf are aware of their expanding roles and responsibilities. It shall be reviewed and updated from time to time to reflect changes to the amendments of relevant rules and regulations.

The Management is accountable for the execution of the corporate objectives and policies set by the Board. The Board has delegated specific responsibilities to the committees to assist the Board in the effective operations and the governance of the Group. The functions and Terms of Reference of the committees have been defined by the Board in the Terms of Reference of the respective committees.

These committees are Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The Terms of Reference of these committees are available in the Company's website. The duties and responsibilities of the Chairman and Group Managing Director are distinct and separate with clear division of responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 3.1 - Code of Conduct and Ethics

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standards throughout the Group.

In this respect, The Board has formalised a Director's Code of Conduct, 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 recognises the importance of adhering to the Code of Conduct and has taken measures to put in place a process to ensure its compliance. Both codes are available on the Company's website at www.digistar.com.my

Practice 3.2- Whistle-blowing Policy

The Board is committed to achieve and maintain high standards of corporate governance practices across the Group. The Board has formalised a Whistle-blowing Policy, with the aim of providing an avenue for raising concerns relating to possible breaches of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.

Further details pertaining to the Whistle-blowing Policy can be found at the Company's website.

Practice 4.1 – Responsibility for the Governance of Sustainability

The Group's sustainability practices focus on ensuing that economic, environmental and social risks and opportunities are tied in with the governance framework and social responsibilities. The Group strives to adopt a progressive approach in integrating sustainability in everything that they did. The Group endeavour to manage their business in a socially responsible manner that align to the Group's business strategy.

Practice 4.2 – Effective Communication with Stakeholders

The Group's managed to remain sustainable and generating long-term shareholder value mainly influenced by several internal and external factors. Each material factor presents unique risks and opportunities to the organisation and is a key consideration in the Group's approach to strategise formulation and execution as it substantially influences the assessments and decisions of Group's internal and external stakeholders. The Group regularly review these factors to assess their impact on the business model over the near, medium and long term.

Practice 4.3 – Sustainability Issues

The Board has committed to stay abreast with the latest development in the sustainability issues relevant to the Group. The Board gains access to the sustainability issues updates via news, publications from relevant agencies to achieve sustainable long-term value.

Practice 4.4 – Performance Evaluations of the Board and Senior Management

The Nomination Committee has carried out an evaluation of the effectiveness of the Board and Board Committees and individual Directors. This includes the Role and Responsibilities of the Board; the Board composition; Information to the Board; Conduct of Board meetings, Performance Evaluation on Board and Board Committees and Directors' self-assessments. The Nomination Committee reviewed the outcome of the evaluation exercise and the areas for continuous improvement.

Management's commitment in taking into account Sustainability considerations when implementing Company strategies, business plans and risk management policies/procedures is, amongst others one of the criteria in their performance assessment. The Board's observations and Management's feedback had been consistent on the need for focus and attention in Sustainability whereby Environmental, Social and Governance practices will remain as one of the areas requiring ongoing attention for continuous improvement.

Practice 5.1 – Responsibilities of Nomination Committee
Practice 5.7 – Appointment and Reappointment of Directors

The Nomination Committee performs a Board Assessment on an annual basis to ensure that the right group of people with appropriate mix of skill was appointed.

During the financial year, the Nomination Committee conducted an assessment of Directors who are seeking for re-election and retention at the 19th Annual General Meeting ("AGM") and concluded that Dato Haji Ishak Bin Haji Mohamed, Ms. Lee Mey Ling and Mr. Lee Chun Szen are eligible for re-election pursuant to Clause 100 of the Company's Constitution.

Statement Accompanying the Notice of Annual General Meeting is provided on directors seeking re-election. The Profile of Directors presented in the Annual Report provides information on directors such as age, gender, designation and experience. The interests of directors are also provided in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 5.2, 5.3 and Step Up 5.4 – Independent Directors

The Board currently consists of seven (7) members, comprising One (1) Independent Non-Executive Chairman, One (1) Senior Independent Non-Executive Director, One (1) Independent Non-Executive Director, One (1) Group Managing Director and Three (3) Executive Directors. The Board and the Nomination Committee are assessing and addressing the matter with the objective of increasing the member of Independent Directors.

In line with the recommendation of the Code, the tenure of an Independent Director of the Company shall not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve the Board subject to re-designation of the Independent Director as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.

Practice 5.5 and 5.6 – Diversity on Board and in Senior Management & Sourcing of Directors

The Board and the Nomination Committee take into account the current diversity in the skills, experience, age, race/ethnicity (cultural background) and nationality of the existing Board in seeking potential candidate(s).

The Board strongly views that diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives. The Committee has the responsibility to ensure that the Board comprises suitably qualified members that demonstrate appropriate qualities and experience that contribute to the effective oversight and stewardship.

During the financial year, no new Director was appointed. The Board decided to maintain the optimum Board size at 7 based on the review of the Board composition. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the Nomination Committee. Potential candidates may be proposed by any current Board member, shareholder or senior management personnel or by utilising independent sources such as recruitment firms or through industry associations. In considering potential candidates for appointment, the Nomination Committee undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role. As part of the recruitment exercise, the Nomination Committee will utilise various independent sources to ensure that it is able to identify the most suitable candidates.

Practice 5.8 – Nomination Committee

The nomination Committee conducted an assessment of the performance of the Board, as a whole, the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee 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 re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting.

Full details of the Nomination Committee's duties and responsibilities are stated in its Term of Reference which is available on the Company's website.

The Nomination Committee comprises exclusively of Independent Non-Executive Directors and chaired by the Independent Director. The Committee meets as and when required, at least once a year. During the financial year, one (1) meeting was carried out, with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	(Chairman)	1/1
Dato' Haji Ishak Bin Haji Mohamed	(Member)	1/1
Mr. Thee Kok Chuan	(Member)	1/1

During the financial year, the Nomination Committee had carried out the following activities:

The responsibilities and duties of the Committee are as follows:

i. Review Board and Senior Management succession plans;
ii. Review Board and Gender diversity;
iii. Review the training needs/training programs for the Board and facilitate Board induction and training programs;
iv. Implement an annual assessment on the effectiveness and performance of the Board as a whole, the committees of the Board, as well as the contribution/performance of each individual Director, including Non-Executive Directors and Executive Director(s);
v. Review of the proposed 'Directors Fit and Proper Policy' for adoption by the Board;
vi. Review the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 5.9 – Gender Diversity

The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The Nomination Committee, will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

Practice 5.10 – Policy on Gender Diversity

The Board has no specific policy on gender, age and ethnicity for candidates to be appointed to the Board and senior management. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The Nomination Committee, will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

Practice 6.1 – Evaluation for Board, Board Committees and Individual Directors

The Nomination Committee annually performs a board self-evaluation to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Term of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.

Based on the assessment carried out during the financial year, the Nomination Committee had concluded the following:-

a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision making process.
b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively
c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner
e) The Board Chairman had performed in an excellent manner and contributed to the Board
f) The performances of the Board Committees were found to be effective.

In order to ensure a person to be appointed or elected/re-elected as Director possesses the necessary quality and character as well as integrity, competency and commitment, the Board has adopted a Directors' Fit and Proper Policy. This policy serves as a guide for the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed as well as Directors who are seeking for re-election. The policy is accessible on the Company's website at www.digistar.com.my.

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 of such regulatory requirements have on the Group. 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 financial year, the Directors have attended various seminars or briefings which they have collectively or individually considered it useful in discharging their stewardship responsibilities.

The Company Secretary 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 Financial Reporting Standards that affect the Group's financial statement during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Director	Date	Programmes/Seminar
Tan Sri Dato' IR. HJ. Zaini Bin Omar	20 January 2022	Advocacy Session on Corporate Disclosure
Mejar (K) Datuk Wira Lee Wah Chong	20 January 2022	Advocacy Session on Corporate Disclosure
Dato' Haji Ishak Bin Haji Mohamed	20 January 2022	Advocacy Session on Corporate Disclosure
Mr. Thee Kok Chuan	05 October 2021 16 March 2022 24 March 2022 26 & 27 July 2022	Practical Guide on Preparing Transfer Pricing Documentation Valuation of Intangible Assets Using the Relief-from-Royalty Method: a Step-by-Step Guide Hasil-CTIM Tax Forum 2022 Corporate Governance and Sustainability Needed Now More Than Ever
Ms. Lee Mey Ling	20 January 2022	Advocacy Session on Corporate Disclosure
Ms. Lee Jin Jean	20 January 2022	Advocacy Session on Corporate Disclosure
Mr. Lee Chun Szen	20 January 2022	Advocacy Session on Corporate Disclosure

III. Remuneration

Practice 7.1 – Remuneration Policy

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. The remuneration details for the Executive and Non-Executive Directors of the Company are disclosed in the Corporate Governance Overview Statement in the Annual Report 2022 which was published on the Company's website at www.digistar.com.my.

The Board has recognized the need to establish a fair and transparent Remuneration Policy with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management. On a yearly basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

The remuneration was structured to align rewards to corporate and individual performances besides adequately compensate the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

All Executive Directors and key Senior Management are subject to an annual performance rating which serves as a basis to determine their variable compensation payments. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.

Practice 7.2 - Remuneration Committee

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Majority of Remuneration Committee Members are Independent Non-Executive Directors. During the financial year, one (1) meeting was carried out with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	(Chairman)	1/1
Mejar (K) Datuk Wira Lee Wah Chong	(Member)	1/1
Dato' Haji Ishak Bin Haji Mohamed	(Member)	1/1
Mr. Thee Kok Chuan	(Member)	1/1

The responsibilities of Remuneration Committee are as follows: -

(i) Support the Board in actively overseeing the design and operation of the Company's remuneration system;

(ii) Review and recommend to the Board on the remuneration of non-executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;

(iii) Review and recommend to the Board on the total individual remuneration package for Executive Directors and senior management personnel including, where appropriate, bonuses and incentive payments within the terms of the agreed remuneration policy and based on individual performance;

(iv) Oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings; and

(v) Provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of the Company.

Practice 8.1 – Disclosure of Remuneration of Directors

Pursuant to the respective service contracts with the Company and its subsidiaries, the

The details of individual Directors' remuneration are as follows:-

Remuneration to be disclosed on a named basis:

Group Level

Name	Fees/Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Allowance/ Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	45			6.5	51.5
Dato' Haji Ishak Bin Haji Mohamed	65			6.5	71.5
Thee Kok Chuan	65			6.5	71.5

Group Level

Name	Fees/Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Allowance/ Benefits in Kind (RM'000)	Total (RM'000)
Executive Directors					
Mejar (K) Datuk Wira Lee Wah Chong	1,296				1,296
Lee Mey Ling	108		13.9		121.9
Lee Jin Jean	280.8		34.6		315.4
Lee Chun Szen	260.7		32.2		292.9

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of individual Directors' remuneration are as follows:-

Remuneration to be disclosed on a named basis:-

Company Level

Name	Fees/Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Allowance/ Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
Tan Sri Dato' IR. HJ. Zaini Bin Omar	45			6.5	51.5
Dato' Haji Ishak Bin Haji Mohamed	65			6.5	71.5
Thee Kok Chuan	65			6.5	71.5

For Group and Company

Name	Fees/Salaries and Other Emoluments (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Allowance/ Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
Tan Sri Dato' Ir. Hj. Zaini Bin Omar **-Year 2020** **-Year 2021** **-Year 2022**	 20 25			 3 3.5	51.5
Dato' Haji Ishak Bin Haji Mohamed **-Year 2020** **-Year 2021** **-Year 2022**	 40 25			 3 3.5	71.5
Thee Kok Chuan **-Year 2020** **-Year 2021** **-Year 2022**	 40 25			 3 3.5	71.5

Practice 8.2 - Remuneration of Senior Management

The remuneration of the Senior Managements are set out as follows:-

Range of Remuneration (RM)	Number of Senior Management
RM50,001-RM100,000	2
RM100,001-RM150,000	1
RM150,001-RM200,000	1
RM201,000 to RM250,000	1

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by the disclosures in the RM50,000 bands. The total remuneration paid to each senior management reflects the time and effort devoted to fulfil his or her responsibilities on the Board and linked to the Group's performance.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

Practice 9.1 and Step Up 9.4 and 9.5 - Audit Committee

Audit and Risk Management comprise exclusively of Independent Non-Executive Directors. During the financial year, six (6) meeting was carried out with attendance as follows:

Name of Director	Designation	No. of Meetings Attended
Tan Sri Dato' Ir. Hj. Zaini Bin omar	(Chairman)	5/6
Dato' Haji Ishak Bin Haji Mohamed	(Member)	5/6
Mr. Thee Kok Chuan	(Member)	6/6

Tan Sri Dato' Ir. Hj. Zaini Bin Omar is the Chairman of the Audit and Risk Management Committee and the Board. A clear segregation of his responsibilities and powers is stated and defined in the Company's Board Charter and Audit Committee's Terms of Reference. In addition, the Audit and Risk Management Committee comprises wholly of Independent Non- Executive Directors. The Audit and Risk Management Committee Report is set out separately in this Annual Report. Full details of the Audit and Risk Management Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website.

Practice 9.2 and 9.3 Oversight of External Auditors

In assessing the independence of external auditors, the Audit and Risk Management 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.

The Audit and Risk Management Committee reviewed the suitability and independence of the external auditors and recommended their re-appointment to the Board for the ensuing financial year. The external auditors confirmed their independence to the Audit and Risk Management Committee that they were and had been independent throughout the conduct of the audit engagement during the financial year ended 30 September 2022 in accordance with the By-laws (on professional ethics, Conduct and practice) of the Malaysian Institute of Accountants ("MIA By-laws").

The Board, on the recommendation of the Audit and Risk Management Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review would suffice to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the MIA By-laws.

Details of the audit and non-audit fees paid to the External Auditor for the financial year ended 30 September 2022 are as follows :-

	Company RM	Group RM
Statutory audit fees paid to the External Auditor	38,000	136,000
Non-audit fees paid to the External Auditor	5,000	5,000

The full details of the role of the Audit and Risk Management Committee in relation to the External Auditors is set out in the Audit and Risk Management Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. Risk Management and Internal Control Framework

Practice 10.1 and 10.2 – Board Responsibility on Risk Management and Internal Control

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 Group Managing Director and the chief financial officer 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. The Board is assisted by the Audit and Risk Management Committee to ensure the risk and control framework is embedded into the culture, processes and structure of the Group. Further details of the Group's state of risk management and internal control systems are reported in the Statement of Risk Management and Internal Control of this Annual Report. The ARMC oversees the risk management matters of the Company and the Group. It supports the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group.

Practice 11.1 and 11.2 – Internal Audit function

The Audit and Risk Management Committee ("ARMC") determines the adequacy of the scope, functions, competency and resources of the Internal Audit department and ensures that it has the necessary authority to carry out its work. The Internal audit department provides independent and reasonable assurance to improve the internal controls of the Company. Its scope encompasses the examination and evaluation of the adequacy, integrity and effectiveness of the Company's overall system of internal control, risk management and governance. In order to maintain its independence and objectivity, the Internal Audit department has no operational responsibility and authority over the activities it audits.

The scope of work covered by the internal audit function during the financial year, summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit and Risk Management Committee Report of this Annual Report.

The Group's internal audit function is carried out by an outsourced internal audit firm namely CAS Consulting Services Sdn Bhd. Mr. Jeremy Kong June Hon as the internal auditor and he is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants. He has vast experience and exposure in the Internal Audit field. The internal audit activities were reported directly to the Audit Committee based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Practice 12.1 – Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communication are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars.

The Company strives to promote a better understanding of the Group through investor relation activities. Apart from general meetings, the Company has in place the following initiatives to facilitate effective communication with its shareholders:

(a) The Annual Report, which contains information such as Management Discussion and Analysis, financial statements, and information on the Audit and Risk Management Committee, Corporate Governance, Sustainability and Corporate Social Responsibility, and Risk Management and Internal Control;
(b) Various announcements made to Bursa Securities, which include timely release of financial results on a quarterly basis.
(c) Attending to shareholders' and investors' emails and phone enquiries.

To facilitate the stakeholders' understanding of the Group with respect to its business and policies on governance, the Group has published various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters and terms of references as well as other corporate information on its Corporate Governance.

The Group's information is disseminated through various disclosures and announcements made to Bursa Malaysia Securities Berhad. This information is also published at the Company's corporate website at www.digistar.com.my

Practice 12.2 Integrated Reporting

The nature and pace of change in businesses today have evolved over time and stakeholders are now placing greater emphasis on the future performance and non-financial information of a company. In tandem with the growing demand, the Company would consider adopting integrated reporting in the near future; as such integrated reporting is still new in the current market. The Company will adopt integrated reporting based on a globally recognised framework in the near future.

II. Conduct of General Meetings

Practice 13.1 – Notice of general meeting

The Board recognises the rights of shareholders. In order to continue encouraging shareholders participation in the general meetings, the Board would ensure that the Notice of AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting and to provide sufficient time and opportunities for shareholders to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

Practice 13.2 – Attendance of Directors at General Meetings

The General Meetings is the key element of the Company's dialogue with its shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, about the Company's operations in general or about the annual reports of the Company and of the Group. The Executive Directors, Senior Management and External Auditors are available in the Annual General Meeting to provide responses to questions from the shareholders.

The Board acknowledges its responsibility to engage shareholders' participation at the general meetings and provide meaningful responses to their concerns and queries. The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the members of the Board and the respective chairman of the Board's Committees are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

Practice 13.3 – Voting

The Company's general meetings are held in the city area accessible via public transport. As an alternative to the recommended practice, shareholders who are unable to attend general meetings are allowed to appoint their respective proxies to participate, speak and vote on their behalf at all general meetings the Company. Moving forward, the Company will consider leveraging on technology to facilitate greater shareholders' participation in general meeting.

Practice 13.4 – General Meetings

The Chairman of the Company has always been cognisant of the importance in ensuring the General Meeting supports meaningful engagement between the Board, Management and shareholders. The Chairman encouraged the participation of shareholders and proxies in the general meetings. The Group Managing Director and Executive Directors were present provide clarifications, if any, to queries raised by the shareholders and proxies.

COMPLIANCE STATEMENT

The Board is satisfied that the Group has substantially complied with the majority of the practices of the Malaysian Code On Corporate Governance throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors on 18 January 2023.

ADDITIONAL COMPLIANCE INFORMATION

In conformance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the following information is provided:

- **Utilisation of proceeds raised from Corporate Proposals**

  There were no proceeds raised from any proposal during the financial year.

- **Material Contracts**

  There were no material contracts other than those in the ordinary course of business or loans entered into by the Company and its subsidiary companies involving the interests of the directors, chief executive who is not director and major shareholders' interests either still subsisting at the end of the financial year ended 30 September 2022 or entered into since the end of previous financial year ended 30 September 2021.

- **Options, Warrants Or Convertible Securities**

  There were no exercise of Options or Convertible Securities or conversion of warrants during the financial year ended 30 September 2022.

- **Audit And Non-Audit Fees**

  The auditor' remuneration including non-audit fees for the Company and the Group for the financial year ended 30 September 2022 is as follows: -

	Company RM	**Group RM**
Statutory audit fees paid to the External Auditor	38,000	136,000
Non-audit fees paid to the External Auditor	5,000	5,000
Total	**43,000**	**141,000**

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Digistar Corporation Berhad is pleased to present the Audit and Risk Management Committee report for the financial year ended 30 September 2022.

COMPOSITION AND DESIGNATION OF AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The ARMC shall be appointed by the Board from amongst the directors and shall consist of not less than three (3) members, all of whom shall be Independent Directors.

The members of the ARMC shall elect a Chairman from among their members who shall be an Independent Director. No alternate director shall be appointed as a member of the Audit Committee.

At least one (1) member of the Audit Committee:-

(a) must be a member of the Malaysian Institute of Accountants; or
(b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:
- he/ she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
- he/ she must be a member of one (1) of the association of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfils such other requirement as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee of the Group comprises the following members:

Chairman
Tan Sri Dato Ir. Hj. Zaini Bin Omar
Independent Non-Executive Chairman

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

Mr. Thee Kok Chuan
Independent Non-Executive Director

The Audit Committee comprises three (3) Non-Executive Directors during FYE 30 September 2022, all of whom are Independent Directors. A member of the ARMC, Mr. Thee Kok Chuan is a member of the Malaysian Institute of Accountants.

The composition of the ARMC and the qualification of the members comply with Paragraph 15.09 (1) of the Main Market Listing Requirement of Bursa Securities ("MMLR")

AUTHORITY

The ARMC is authorised by the Board to investigate any activity within its Terms of Reference and shall have unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. The ARMC is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

TERMS OF REFERENCE

The Terms of Reference of the ARMC are available on Digistar Corporation Berhad's website.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEETINGS AND MINUTES

Meetings shall be held not less than four (4) times a year, and will normally be attended by the accountant and other senior management, if necessary. The presence of external and/ or internal auditors will be requested, if required. Other members of the Board and senior management may attend meetings upon the invitation of the ARMC. Both the internal and/ or external auditors may request a meeting if they consider it to be necessary. The ARMC shall meet with the external and internal auditors at least twice a year without the presence of executive members of the Board.

The Secretary to the ARMC shall be the Company Secretary. The Chairman of the ARMC shall report on each meeting to the Board.

The ARMC has met with the external and internal auditors without executive board members present at least twice a year.

During the year, the ARMC held a total of six (6) meetings. The accountant, internal auditors and external auditors, have been invited to attend the ARMC meetings to present their audit plans and their subsequent findings.

The details of attendance of the ARMC members are as follows:

Committee Members	Meeting Attendance
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	5/6
Dato' Haji Ishak Bin Haji Mohamed	5/6
Mr. Thee Kok Chuan	6/6

Responsibilities and Duties

In fulfilling its primary objectives, the ARMC undertakes, amongst others, the following responsibilities and duties:-

a) To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
b) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;
c) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
d) To review the following in respect of internal audit:-
    - adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
    - the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
    - the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
    - review any appraisal or assessment of the performance of members of the internal audit function; and
    - review and approve any appointment or termination of senior staff members of the internal audit function.
e) To review the quarterly reporting to Bursa Securities and year-end annual financial statements of the Group before submission to the Board, focusing on:-
    - compliance with accounting standards and regulatory requirements;
    - any major changes in accounting policies;
    - significant and unusual items and events; and
    - incidences of fraud and material litigation, if any.
f) To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management's integrity;
g) To consider the nomination and appointment of external auditors, as well as the audit fee;
h) To review the resignation or dismissal of external auditors;
i) To review the term of reference of ARMC.
j) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment; and
k) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by an outsourced internal audit firm namely CAS Consulting Services Sdn Bhd. Mr. Jeremy Kong June Hon as the internal auditor and he is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants. He has vast experience and exposure in the Internal Audit field. The internal audit activities were reported directly to the Audit Committee based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 30 September 2022 was RM11,500.00 (2021:RM12,000.00).

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC's activities during the financial year under review comprised the following:-

Quarterly Financial Statements and Audited Financial Statements

- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board; and
- reviewed the unaudited financial results before recommending them for Board's approval, focusing particularly on:-
  - Any change in accounting policies
  - Significant adjustments arising from audit
  - Compliance with accounting standards and other legal requirements

External Auditors

- reviewed the external audit plan, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- reviewed the external audit review memorandum and audit planning memorandum and the response from the Management;
- consideration and recommendation to the Board for approval of the audit fees payable to the external auditors;
- reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services and recommend to the Board for approval on the re-appointment of external auditors; and
- reviewed and evaluated the factors relating to the independence of the external auditors.

At the ARMC Meeting held on 18 January 2023, the ARMC recommended to the Board for approval of the audit fee of RM141,000.00 in respect of the financial year ended 30 September 2022.

Internal Auditor

Mr. Jeremy Kong June Hon as the internal auditor and he is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants. He has vast experience and exposure in the Internal Audit field. The internal audit activities were reported directly to the ARMC based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Control and Risk Management

The internal control and risk management activities carried out during the financial year are as follows:-

- reviewed the internal audit plan for adequacy scope and coverage and risk areas;
- reviewed risk management report and internal audit reports;
- reviewed the effectiveness and adequacy of risk management, operational and compliance processes;
- reviewed the adequacy and effectiveness of corrective actions taken by the Management on all significant matters raised; and
- monitored and reviewed fraud cases.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the ARMC reviewed the recurrent related party transactions ("RPT") and conflict of interest situation that may arise within the Company and its Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

The ARMC reviews the RPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The ARMC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control which has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (Guidelines) is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements). The Board recognises the importance of a sound system of risk management and internal control of the Group for good corporate governance and to safeguard the Group's assets and shareholders' investment.

BOARD RESPONSIBILITY

In accordance with the Malaysian Code on Corporate Governance, the Board is responsible for the Group's risk management and internal control systems. It should set appropriate policies on internal control and seek assurance that the systems are functioning effectively.

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. The Board is assisted by the Audit and Risk Management Committee ("ARMC") and the Management which designs and analyses the risk information and suitable operating internal controls. Additionally, the ARMC and the Management 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 Group's Enterprise Risk Management Framework adopts a structures and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and the shareholders' interests.

The ARMC is assisted by the Management to identify and assess risks as well as to ensure that the risk management processes are adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed and recommended by the Management to the ARMC.

The Group's risk management practices are business driven and the processes in identifying, evaluating and managing significant risks facing the Group are embedded into its culture and operations. The Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholders' value. Periodic management meetings, attached by the ARMC and Management are held to discuss key risks and the relevant mitigating controls.

The Board affirms that none of the risks identified are expected to have any material losses, contingencies or uncertainty to the Group that would require separate disclosure in this Annual Report.

INTERNAL AUDIT FUNCTION

The Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") requires that a listed corporation establish an internal audit function which is independent of the activities it audits and reports to the ARMC directly. The Board acknowledges the importance of the internal audit function and outsourced to a professional external entity to assist the Board and ARMC in providing an independent assessment of adequacy, efficiency and effectiveness of the Group's internal control system. During the financial year ended 30 September 2022, the internal audit activities were based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.

Internal audit assignments were carried out during the financial year under review based on internal audit methodology under International Standards for the Professional Practice of Internal Auditing (Standards). The internal auditors reported their audit findings and recommendations to the ARMC members during Audit and Risk Management Committee meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During the financial year, the Internal Auditors undertook the following activities:

a) Prepared the internal audit plan for the year, which is reviewed and approved annually by the ARMC and updated where necessary by the ARMC;
b) Carried out all internal audit activities in accordance with the internal audit plan and adopts the Standards and Principles outlined in the International Professional Practices Framework (IPPF) of The Institute of Internal Auditors;
c) Prepared the internal audit programme based on the internal audit plan, for each activity or process to be audited;
d) Discussed with auditees, process owners and Management on the results of the audit for each activity or process, root cause analysis will be assessed prior any recommendations in order to mitigate the identified risk or control work flow improvements;
e) Reported to the ARMC on a regular basis, the results from the internal audit and governance issues identified together with Management's response and action plans; and
f) Followed up on all the action plans agreed from the previous internal audit reports to ensure that all matters arising are adequate addressed by the Management.

In the year, the internal auditors undertaken review on Group's operations for the front office collection system to ensure existing internal control, risk management and corporate governance are in place and functioning as intended.

The findings arising from the above reviews have been reported to the management for their response and subsequently for the ARMC deliberation. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls. The internal control system will continue to be reviewed, added on or updated in line with the changes in the Group's operating environment.

ASSURANCE FROM THE MANAGEMENT

In accordance with the Internal Control Guidelines, the Board has received assurance from the Executive Directors and Management of the Company that to the best of their knowledge the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, in line with the Group's objectives during the financial year under review.

The Board is of the view that the risk management and internal control system in place for the year under review is sound and adequate to safeguard the shareholders' investment, the Group's assets and other stakeholders' interest.

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 Audit and Assurance Practice Guides (AAPG) 3F: 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.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management process and system of internal control. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with the material internal control aspects of significant problems, if any, disclosed in this Annual Report will, in fact, remedy the problems.

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 2022 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 2022, 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 and Risk Management Committee reports to the Board its activities, significant results, findings and the necessary recommendations or changes.

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

Financial Results

	Group RM	Company RM
Loss for the financial year	(4,613,687)	(19,685,216)
Attributable to:		
Owners of the parent	(5,244,413)	(19,685,216)
Non-controlling interests	630,726	-
	(4,613,687)	(19,685,216)

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

DIRECTORS' REPORT
(CONT'D)

Shares and Debentures

During the financial year, the Company has consolidated every 3 existing ordinary shares into 1 new ordinary share from 1,048,916,802 existing ordinary shares to 349,636,958 new ordinary shares.

There was no issuance of shares or debentures during the financial year.

Treasury Shares

Pursuant to the Share Consolidation during the financial year, the Company's treasury shares has been consolidated from 7,372,808 existing treasury shares to 2,457,602 new treasury shares.

As at 30 September 2022, the Company held 2,457,602 treasury shares out of the total 349,636,958 issued ordinary shares. Further, relevant details are disclosed in Note 15 to the financial statements.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Warrants 2013/2023

Pursuant to the Share Consolidation during the financial year, the number of Warrants 2013/2023 has been adjusted from 81,678,141 to 27,225,764 whilst the exercise price has been adjusted from RM0.25 to RM0.75.

As at the end of the financial year, the Company had 27,225,764 Warrants 2013/2023 in issue. The Warrants 2013/2023 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 11 April 2013. 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	RM0.75 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.

DIRECTORS' REPORT
(CONT'D)

Warrants 2013/2023 (Cont'd)

As at the end of the financial year, the Company had 27,225,764 Warrants 2013/2023 in issue. The Warrants 2013/2023 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 11 April 2013. The salient features of Warrants 2013/2023 as constituted in the Deed Poll dated 4 March 2013 are as follows: (Cont'd)

Terms	Details
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 from 11 April 2013 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.

As at 30 September 2022, the total numbers of Warrants 2013/2023 that remain unexercised were 27,225,764.

DIRECTORS' REPORT
(CONT'D)

Warrants 2021/2026

Pursuant to the Share Consolidation during the financial year, the number of Warrants 2021/2026 has been adjusted from 260,384,403 to 86,794,477 whilst the exercise price has been adjusted from RM0.10 to RM0.30.

As at the end of the financial year, the Company had 86,794,477 Warrants 2021/2026 in issue. The Warrants 2021/2026 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 1 June 2021. The salient features of Warrants 2021/2026 as constituted in the Deed Poll dated 16 April 2021 are as follows:

Terms	**Details**
Exercise Period	The Warrants may be exercised at any time within a period of 5 years, which shall commence from and including the date of issuance of the Warrants and ending on the Expiry Date ("Exercise Period"). The Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Price	RM0.30 per Warrant or such adjusted price as determined in the Deed Poll.
Exercise Rights	Each Warrant entitles the registered holders, at any time during the Exercise Period, to subscribe for new ordinary shares on the basis of 1 new ordinary share for 1 Warrant at the exercise price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll ("Exercise Rights").
Mode of Exercise	The registered holder of the Warrant is required to lodge a subscription form as set out in the Deed Poll with the Company's registrar, duly completed and signed together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or via online payment gateway for the Subscription Form lodged electronically in accordance with the provisions of the Deed Poll.
Listing Status	The Warrants and new ordinary shares to be issued pursuant to the exercise of the Warrants will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
Board Lot	For the purpose of trading in Bursa Securities, a board lot of the Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new ordinary shares at any time during the Exercise Period, or in such denomination as determined by Bursa Securities.

DIRECTORS' REPORT
(CONT'D)

Warrants 2021/2026 (Cont'd)

As at the end of the financial year, the Company had 86,794,477 Warrants 2021/2026 in issue. The Warrants 2021/2026 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 1 June 2021. The salient features of Warrants 2021/2026 as constituted in the Deed Poll dated 16 April 2021 are as follows: (Cont'd)

Terms	Details
Ranking of new ordinary shares arising from the exercise of the Warrants	The new ordinary shares to be issued arising from the exercise of the Warrants will, upon allotment and issue, rank equally in all respects with the then existing ordinary shares, save and except that the new ordinary shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new ordinary shares.

As at 30 September 2022, the total numbers of Warrants 2021/2026 that remain unexercised were 86,794,477.

DIRECTORS' REPORT
(CONT'D)

Directors

The Directors in office during the financial year and during the period from the end of financial year until the date of this report are:

Mejar (K) Datuk Wira Lee Wah Chong *
Dato' Haji Ishak Bin Haji Mohamed *
Lee Jin Jean *
Lee Chun Szen *
Thee Kok Chuan
Tan Sri Dato' Ir. Haji Zaini Bin Omar *
Lee Mey Ling *

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of financial year up to the date of this report:

Mohd Saleh Bin Jusman
Gelayan Anak Mambang
Mendong Anak Ato
Dato' Badrul Hisham Bin Muhammad

** Director of the Company and of its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' REPORT
(CONT'D)

Directors' Interests in Shares

The interests and deemed interests in the shares and warrants over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.10.2021	Bought	Sold	Consolidated	At 30.9.2022
Interests in the Comapany					
Direct Interests					
Mejar (K) Datuk Wira Lee Wah Chong	-	4,083,500	-	(2,722,334)	1,361,166
Lee Jin Jean	328,571	-	-	(219,048)	109,523
Lee Chun Szen	328,571	-	-	(219,048)	109,523
Lee Mey Ling	-	250,000	-	(166,667)	83,333
Indirect Interests					
Mejar (K) Datuk Wira Lee Wah Chong *	277,778,351	665,000	-	(185,628,902)	92,814,449

DIRECTORS' REPORT
(CONT'D)

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares and warrants over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of warrants 2013/2023				
	At 1.10.2021	**Bought**	**Sold**	**Consolidated**	**At 30.9.2022**
Interests in the Comapany					
Indirect Interests					
Mejar (K) Datuk Wira Lee Wah Chong *	20,279,388	-	-	(13,519,592)	6,759,796

	Number of warrants 2021/2026				
	At 1.10.2021	**Bought**	**Sold**	**Consolidated**	**At 30.9.2022**
Interests in the Comapany					
Indirect Interests					
Mejar (K) Datuk Wira Lee Wah Chong *	69,208,302	-	-	(46,138,868)	23,069,434

* *Deemed interest by virtue of the shareholding in LWC Capital Sdn. Bhd. and shares held by spouse and children.*

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT
(CONT'D)

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in below) 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, other than as disclosed in Note 33 to the financial statements.

The details of the Directors' remuneration for the financial year ended 30 September 2022 are set out below:

	Group RM	Company RM
Directors of the Company		
Executive Directors:		
- Salaries and other emoluments	1,945,500	-
- Social security contributions	2,829	-
- Defined contributions plans	77,940	-
	2,026,269	-
Non-executive Directors:		
- Directors' fees	175,000	175,000
- Other emoluments	19,500	19,500
	194,500	194,500
	2,220,769	194,500

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was 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.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) 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; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT
(CONT'D)

Other Statutory Information (Cont'd)

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) 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 to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 38 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year ended 30 September 2022 are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audits	136,000	38,000
- Non-statutory services	5,000	5,000
	141,000	43,000

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 January 2023.

TAN SRI DATO' IR. HAJI ZAINI BIN OMAR

MEJAR (K) DATUK WIRA LEE WAH CHONG

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 60 to 177 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 January 2023.

TAN SRI DATO' IR. HAJI ZAINI BIN OMAR	MEJAR (K) DATUK WIRA LEE WAH CHONG

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, LEE MEY LING, NRIC No.: 730225-04-5168 (MIA Membership No.: 21788), being the Director primarily responsible for the financial management of Digistar Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 60 to 177 are 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 the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 18 January 2023)

LEE MEY LING

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Digistar Corporation Berhad, which comprise the statements of financial position as at 30 September 2022 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 177.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
Impairment of trade receivables As at 30 September 2022, the carrying value of the Group's trade receivables amounting to RM156,163,287 which represents 48% of the Group's total assets. The assessment for impairment for trade receivables involves significant management judgement and taking into consideration of the assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss. Accordingly, impairment of trade receivables has been identified as a key audit matter. The aforementioned impairment review gave rise to accumulated impairment losses of trade receivables amounting to RM12,126,774 as at 30 September 2022.	Our audit procedures included the following: • Obtained understanding of significant credit exposure which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by management. • Assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss; and tested the accuracy and completeness of the data used by the management.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment of trade receivables (Cont'd)	Our audit procedures included the following: (Cont'd) • Reviewed the adequacy of the amount of impairment loss and enquired the management regarding the recoverability of receivables that are past due but not impaired and reviewed of customers' correspondence.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment assessment on investment in subsidiary companies and recoverability of amount due from subsidiary companies As at 30 September 2022, the carrying amounts of the Company's investment in subsidiary companies and amount due from subsidiary companies amounted to RM32,356,891 and RM103,418,667 representing approximately 23% and 74% of the Company's total assets respectively. The management has performed impairment assessment by comparing the carrying amounts of investment in subsidiaries and amounts due from subsidiaries against their recoverable amounts based on the value in use ("VIU") method and assets belonging to subsidiaries. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash generating units ("CGU") and discounting them at an appropriate rate. The key assumptions involved in the assessment of the VIU are revenue forecast and projection, discount rate, and the timing from the CGU, and discounting them at an appropriate rate. The impairment review was significant to our audit because the assessment process is highly subjective and complex, which involves significant management judgement and critical estimates over the key assumptions used in the projected cash flow and the discounted rates.	Our audit procedures included the following: • Compared net tangible assets over the costs of investment in the subsidiary companies to identify any impairment indicator. • Assessed the value in use based on the discounted cash flows used by management in determine the recoverable amounts. • Compared and challenged management's key assumptions by evaluated the assumptions applied in the determination of the amount and timing of receipts from subsidiary companies with respect to cash flows projections. • Evaluated the reasonableness and adequacy of the allowance for impairment recognised.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and others matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIGISTAR CORPORATION BERHAD (CONT'D)
[Company No.: 200301001232 (603652-K)] (Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

TIO SHIN YOUNG
Approved Number: 03355/02/2024 J
Chartered Accountant

KUALA LUMPUR
18 January 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	4,183,612	5,783,600	-	-
Investment properties	5	27,102,278	24,531,144	-	-
Right-of-use assets	6	72,156,350	72,994,708	-	-
Intangible asset	7	417,551	635,465	-	-
Investment in subsidiary companies	8	-	-	32,356,891	32,466,230
Trade receivables	9	136,608,833	145,799,526	-	-
Amount due from subsidiary companies	10	-	-	103,418,667	121,330,890
		240,468,624	249,744,443	135,775,558	153,797,120
Current Assets					
Trade receivables	9	19,554,454	18,897,997	-	-
Inventories	11	656,609	1,669,424	-	-
Other receivables	12	4,861,831	4,587,767	1,785	4,925
Tax recoverable		309,831	137,135	-	-
Deposits, cash and bank balances	13	56,609,134	62,630,616	4,046,872	4,159,567
		81,991,859	87,922,939	4,048,657	4,164,492
Total Assets		322,460,483	337,667,382	139,824,215	157,961,612

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
EQUITY					
Share capital	14	47,955,849	117,955,849	47,955,849	117,955,849
Treasury shares	15	(3,248,747)	(3,248,747)	(3,248,747)	(3,248,747)
Reserves	16	16,216,955	(48,538,632)	12,959,892	(37,354,892)
Equity attributable to owners of the parent		60,924,057	66,168,470	57,666,994	77,352,210
Non-controlling interests		(4,113,690)	(4,744,416)	-	-
Total Equity		56,810,367	61,424,054	57,666,994	77,352,210
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	17	43,702	250,244	-	-
Bank borrowings	18	3,893,453	3,003,026	-	-
Bonds	19	200,973,733	219,389,964	-	-
Deferred tax liabilities	20	13,082,935	10,767,290	-	-
		217,993,823	233,410,524	-	-
Current Liabilities					
Amount due to subsidiary companies	10	-	-	82,054,070	80,509,649
Contract liabilities	21	982,700	1,167,639	-	-
Lease liabilities	17	253,440	270,223	-	-
Bank borrowings	18	3,388,137	2,950,491	-	-
Bonds	19	21,430,214	21,249,941	-	-
Trade payables	22	5,132,112	2,991,359	-	-
Other payables	23	16,463,690	14,197,151	103,151	99,753
Tax payable		6,000	6,000	-	-
		47,656,293	42,832,804	82,157,221	80,609,402
Total Liabilities		265,650,116	276,243,328	82,157,221	80,609,402
Total Equity and Liabilities		322,460,483	337,667,382	139,824,215	157,961,612

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	24	49,886,094	39,157,592	-	-
Costs of sales		(16,569,278)	(7,403,567)	-	-
Gross profit		33,316,816	31,754,025	-	-
Other income		1,120,156	2,302,556	51,858	147,538
Administrative expenses		(13,407,815)	(13,553,105)	(800,232)	(707,057)
Selling and distribution expenses		(1,554,683)	(758,798)	-	-
Other expenses		(4,147,424)	(7,127,128)	(109,339)	(1,106,514)
Net loss on impairment of financial instruments		(536,342)	(2,739,881)	(17,794,590)	(20,800,222)
Profit/(Loss) from operations		14,790,708	9,877,669	(18,652,303)	(22,466,255)
Finance costs	25	(16,816,802)	(17,833,895)	(1,032,913)	(1,042,892)
Loss before tax	26	(2,026,094)	(7,956,226)	(19,685,216)	(23,509,147)
Taxation	27	(2,587,593)	(342,798)	-	(85,337)
Loss for the financial year, representing total comprehensive loss for the financial year		(4,613,687)	(8,299,024)	(19,685,216)	(23,594,484)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ profit for the financial year attributable to:					
Owners of the parent		(5,244,413)	(6,665,225)	(19,685,216)	(23,594,484)
Non-controlling interests		630,726	(1,633,799)	-	-
		(4,613,687)	(8,299,024)	(19,685,216)	(23,594,484)
Loss per share attributable to owners of the parent:					
Basic loss per share (sen)	28	(0.64)	(0.76)		
Diluted loss per share (sen)	28	(0.64)	(0.76)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Attributable to Owners of the Parent							
		Non-Distributable							
	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Discount on Share RM	(Accumulated Losses)/ Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group									
At 1 October 2021		117,955,849	(3,248,747)	11,480,058	(5,475,571)	(54,543,119)	66,168,470	(4,744,416)	61,424,054
Transaction with owners:									
Capital reduction	14	(70,000,000)	-	-	-	70,000,000	-	-	-
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ profit for the financial year		-	-	-	-	(5,244,413)	(5,244,413)	630,726	(4,613,687)
At 30 September 2022		47,955,849	(3,248,747)	11,480,058	(5,475,571)	10,212,468	60,924,057	(4,113,690)	56,810,367

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Attributable to Owners of the Parent							
		Non-Distributable							
	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Discount on Share RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group (Cont'd)									
At 1 October 2020		104,936,629	(3,248,747)	6,004,487	-	(47,223,098)	60,469,271	(3,765,413)	56,703,858
Transactions with owners:									
Acquisition of non-controlling interests	8	-	-	-	-	(654,796)	(654,796)	654,796	-
Right issue with warrants	14,16	13,019,220	-	5,475,571	(5,475,571)	-	13,019,220	-	13,019,220
		13,019,220	-	5,475,571	(5,475,571)	(654,796)	12,364,424	654,796	13,019,220
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(6,665,225)	(6,665,225)	(1,633,799)	(8,299,024)
At 30 September 2021		117,955,849	(3,248,747)	11,480,058	(5,475,571)	(54,543,119)	66,168,470	(4,744,416)	61,424,054

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Non-Distributable					
	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Discount on Share RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company							
At 1 October 2021		117,955,849	(3,248,747)	11,480,058	(5,475,571)	(43,359,379)	77,352,210
Transaction with owners:							
Capital reduction	14	(70,000,000)	-	-	-	70,000,000	-
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(19,685,216)	(19,685,216)
At 30 September 2022		47,955,849	(3,248,747)	11,480,058	(5,475,571)	6,955,405	57,666,994

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Non-Distributable					
	Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Discount on Share RM	Accumulated Losses RM	Total Equity RM
Company (Cont'd)							
At 1 October 2020		104,936,629	(3,248,747)	6,004,487	-	(19,764,895)	87,927,474
Transaction with owners:							
Right issue with warrants	14,16	13,019,220	-	5,475,571	(5,475,571)	-	13,019,220
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	(23,594,484)	(23,594,484)
At 30 September 2021		117,955,849	(3,248,747)	11,480,058	(5,475,571)	(43,359,379)	77,352,210

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Loss before tax		(2,026,094)	(7,956,226)	(19,685,216)	(23,509,147)
Adjustments for:					
Amortisation of:					
- Deferred payment of bonds		1,824,188	2,068,627	-	-
- Intangible asset		217,914	217,914	-	-
- Investment properties		206,414	206,443	-	-
Bad debts recovered		(2,367)	-	-	-
Bad debts written off:					
- Trade receivables		-	153,349	-	-
- Other receivables		-	1,788,401	-	-
Depreciation of property, plant and equipment		1,944,950	2,439,221	-	-
Depreciation of right-of-use assets		1,983,904	1,976,932	-	-
Gain on modification of lease term		-	(898)	-	-
Impairment losses on:					
- Amount due from subsidiary companies		-	-	17,794,590	20,800,222
- Investment in subsidiary companies		-	-	109,339	1,106,514
- Trade receivables		1,874,209	3,016,144	-	-
- Other receivables		103,253	1,430,698	-	-
Interest expense		14,992,614	15,765,268	1,032,913	1,042,892
Interest income:					
- Deposits with licensed banks		(655,885)	(780,350)	(51,858)	(76,614)
- Trade receivables		(44,596)	(42,973)	-	-
- Others		(268,751)	(197,591)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from operating activities (Cont'd)					
Adjustments for: (Cont'd)					
Reversal of impairment losses on:					
- Trade receivables		(1,291,017)	(1,184,850)	-	-
- Other receivables		(150,103)	(522,111)	-	-
Unrealised gain on foreign exchange		(13,745)	(55,025)	-	-
Written off of:					
- Intangible asset		-	86,609	-	-
- Inventories		-	622,041	-	-
- Property, plant and equipment		148	-	-	-
Operating profit/(loss) before working capital changes		18,695,036	19,031,623	(800,232)	(636,133)
Changes in working capital:					
Contract liabilities		(184,939)	848,085	-	-
Inventories		(103,398)	22,669	-	-
Trade and other receivables		7,739,941	13,394,964	3,140	17,358
Trade and other payables		4,407,292	(4,030,520)	3,398	(127,551)
Cash generated from/ (used in) operations		30,553,932	29,266,821	(793,694)	(746,326)
Interest paid		(151,044)	(142,569)	-	-
Interest received		44,596	42,973	-	-
Tax paid		(456,547)	(248,174)	-	-
Tax refunded		11,904	217,596	-	-
Net cash from/(used in) operating activities		30,002,841	29,136,647	(793,694)	(746,326)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of:					
- Investment properties	5	(2,777,548)	(3,766,904)	-	-
- Property, plant and equipment	4	(345,557)	(151,531)	-	-
Changing of surplus funds placed in fixed deposits with licensed banks		(12,814,131)	(510,518)	-	-
Interest received		924,636	977,941	51,858	76,614
Net withdrawal of fixed deposits pledged with licensed banks		11,739,180	4,169,433	-	-
Proceeds from disposal of property, plant and equipment		447	-	-	-
Repayment from/ (Advances to) subsidiary companies		-	-	117,633	(11,871,147)
Withdrawal of deposits from Debt Service Reserve Account		2,993,905	3,079,337	-	-
Net cash (used in)/from investing activities		(279,068)	3,797,758	169,491	(11,794,533)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Advances from directors	30	-	79,280	-	-
Advances from/ (Repayment to) subsidiary companies	30	-	-	511,508	(637,740)
Interest paid		(14,901,716)	(15,594,729)	-	-
Net repayment of bonds	30	(20,000,000)	(20,000,000)	-	-
Net proceeds from term loans	30	554,474	670,808	-	-
Payments of lease liabilities	30	(252,658)	(242,131)	-	-
Proceeds from right issue with warrants	14	-	13,019,220	-	13,019,220
Net cash (used in)/from financing activities		(34,599,900)	(22,067,552)	511,508	12,381,480
Net (decrease)/increase in cash and cash equivalents		(4,876,127)	10,866,853	(112,695)	(159,379)
Cash and cash equivalents at the beginning of the financial year		24,620,126	13,753,273	159,567	318,946
Cash and cash equivalents at the end of the financial year		19,743,999	24,620,126	46,872	159,567

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash and cash equivalents at the end of the financial year comprise:					
Fixed deposits with licensed banks	13	40,098,617	44,413,442	4,000,000	4,000,000
Cash and bank balances	13	16,510,517	18,217,174	46,872	159,567
Total deposits, cash and bank balances		56,609,134	62,630,616	4,046,872	4,159,567
Less: Bank overdrafts	18	(2,533,134)	(1,759,535)	-	-
Less: Surplus funds placed in fixed deposits with licensed banks	13	(19,365,038)	(6,550,907)	-	-
Less: Fixed deposits pledged with licensed banks	13	(13,839,460)	(25,578,640)	(4,000,000)	(4,000,000)
Less: Debt Service Reserve Account	13	(1,127,503)	(4,121,408)	-	-
		19,743,999	24,620,126	46,872	159,567

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. With effect from 1 July 2022, the Company's registered office has been relocated to Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is located at B6/4/4, 3rd Floor, One Ampang Business Avenue, Jalan Ampang Utama 1/2, 68000 Ampang, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

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

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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 would account 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 significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

<u>Classification of concession assets</u>

The Group entered into concession agreement with the Government of Malaysia (the "Grantor") under a private finance initiative for the right and authority to undertake the design, develop, construct and complete the facilities and infrastructure for Jabatan Kerja Raya ("JKR") Training Institute and to carry out the maintenance works in relation for the maintenance of the facilities and infrastructure.

Under these arrangements, JKR will pay the Group throughout the concession period the availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provision of the concession agreements. These amounts receivable are accounted for using the financial assets model.

<u>Revenue recognition in relation to concession arrangement</u>

Interest income resulting from the accretion of discount on concession receivable using the effective interest method is described in Note 3(g).

Significant judgement is required in determining the profit margin used in estimating the relative fair value of various services provided in concession agreements. In making these judgements, management evaluates by making reference to the current condition and operating environment of companies in the similar industry in Malaysia.

<u>Recognition of revenue from contracts</u>

The Group recognises contract revenue based on the percentage of completion method. The stage of completion of the contracts is measured in accordance with the accounting policies set out in Note 3(s).

Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred, the estimated total revenue and total costs and the recoverability of the contract. In making these judgements, management relies on past experience and the work of specialists.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal option - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

Determining the lease term of contracts with renewal option - Group as lessee (Cont'd)

The Group includes the renewal period as part of the lease term for leases of buildings with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/depreciation of property, plant and equipment, investment properties and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets.

The carrying amounts at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 6 respectively.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 8.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and services are based on invoiced values or retail price. Discounts are not considered as they are not only given in rare circumstances.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

<u>Revenue from construction contracts</u>

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The details of construction contracts are disclosed in Note 21.

<u>Provision for expected credit loss of financial assets at amortised cost</u>

The Group uses a provision matrix to calculate expected credit loss for trade receivables.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 9.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would has to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 September 2022, the Group has tax recoverable and tax payable of RM309,831 (2021: RM137,135) and RM6,000 (2021: RM6,000) respectively.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 35(d) regarding financial liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below: (Cont'd)

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 32.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. 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. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of the subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(o) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(o) to the financial statements on impairment of non-financial assets.

(b) Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

3. Significant Accounting Policies (Cont'd)

(b) Foreign currency translation (Cont'd)

Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Office lot, shophouse and office unit	50 years
Computers and printers	4 - 5 years
Site office cabins, plant and machinery, furniture and fittings	3 - 10 years
Office equipment, renovation and close-circuit television	3 - 10 years
Motor vehicles	5 years

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

(d) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o) to the financial statements.

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	Over the remaining lease period/term
Motor vehicles	5 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group applies the leases of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of MFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land and capital work-in-progress are not depreciated. Other investment properties are depreciated on straight line basis to write down the cost of each asset to its residual value over its estimated useful lives. The estimated useful lives of the investment properties as follows:

Leasehold land	Over the remaining period of the lease
Buildings	50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(o) to the financial statements on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their use or disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(f) Intangible assets

(i) Customer base

The Group's intangible assets which are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives of 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at least at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(f) Intangible assets (Cont'd)

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(o) to the financial statements on impairment of non-financial assets for intangible assets.

(g) Concession receivable

The Group has concession arrangements with the Grantor to design, develop, construct and complete the facilities and infrastructure for 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 as at the end of concession period.

The Group accounts for its concession arrangements under the financial assets model as the Group has an unconditional right to receive cash or another financial asset from or at the discretion of the Grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately identified. The allocation is performed by reference to the fair value of the services provided even if the contract stipulates individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided or the price that would be changed if the services were sold on a standalone basis.

The Group estimates the relative fair values of the services by reference to the costs or providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the Grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expires.

3. Significant Accounting Policies (Cont'd)

(h) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade receivables, other receivables, amount due from subsidiary companies and deposits, cash and bank balances.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Financial assets at fair value through other comprehensive income ("FVOCI")

Debt instruments

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(h) Financial assets (Cont'd)

(b) Financial assets at fair value through other comprehensive income ("FVOCI") (Cont'd)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVOCI.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

The Group and the Company have not designated any financial assets as FVTPL.

3. Significant Accounting Policies (Cont'd)

(h) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(i) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Completed property

The cost of unsold completed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(ii) Other inventories

Cost of other inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition is stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose of use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognised in a given period. Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by reference to the surveys of work performed up to the end of the reporting period. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

3. Significant Accounting Policies (Cont'd)

(m) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for deposits, cash and bank balances. Loss allowances for trade receivables and other receivables are always measured at an amount equal to lifetime expected credit loss.

3. Significant Accounting Policies (Cont'd)

(o) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

Loss rates are based on actual credit loss experience over the past two years. At every reporting date, the historial observed default rates are updated and changes in forward-looking estimates are analysed.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(p) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(iii) Warrants

Warrants are classified as equity instrument and its value is allocated based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed.

The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

3. Significant Accounting Policies (Cont'd)

(q) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(r) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(s) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

3. Significant Accounting Policies (Cont'd)

(s) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(a) Revenue from construction contracts (Cont'd)

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. surveys of work performed). The Group previously has recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

The Group provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(q) to the financial statements.

(b) Sale of goods

Revenue from sale of goods is recognised when control of the products has transferred, being at the point the customer purchases the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(s) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(c) Security service and maintenance income

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

(d) Room revenue

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guest.

(e) Food beverage and other ancillary service revenue

Revenue from food and beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

(f) Management fee

Revenue from management fees is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. Significant Accounting Policies (Cont'd)

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

3. Significant Accounting Policies (Cont'd)

(u) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(w) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(x) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers.*

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

4. Property, Plant and Equipment

Group	Office lot, shophouse and office unit RM	Computers and printers RM	Site office cabins, plant and machinery, furniture and fittings RM	Office equipment, renovation and close-circuit television RM	Motor vehicles RM	Total RM
2022						
Cost						
At 1 October 2021	1,438,404	3,860,460	1,423,775	14,812,195	2,003,452	23,538,286
Additions	-	25,785	7,582	312,190	-	345,557
Disposals	-	-	-	(469)	-	(469)
Transfer from right-of-use assets (Note 6)	-	-	-	-	906,246	906,246
Written off	-	-	-	(1,801)	-	(1,801)
At 30 September 2022	1,438,404	3,886,245	1,431,357	15,122,115	2,909,698	24,787,819

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

Group	Office lot, shophouse and office unit RM	Computers and printers RM	Site office cabins, plant and machinery, furniture and fittings RM	Office equipment, renovation and close-circuit television RM	Motor vehicles RM	Total RM
2022 (Cont'd)						
Accumulated depreciation						
At 1 October 2021	592,332	3,534,968	1,271,707	10,352,227	2,003,452	17,754,686
Charge for the finnacial year	41,887	40,856	54,319	1,807,888	-	1,944,950
Disposals	-	-	-	(22)	-	(22)
Transfer from right-of-use assets (Note 6)	-	-	-	-	906,246	906,246
Written off	-	-	-	(1,653)	-	(1,653)
At 30 September 2022	634,219	3,575,824	1,326,026	12,158,440	2,909,698	20,604,207
Carrying amount						
At 30 September 2022	804,185	310,421	105,331	2,963,675	-	4,183,612

4. Property, Plant and Equipment (Cont'd)

Group	Office lot, shophouse and office unit RM	Computers and printers RM	Site office cabins, plant and machinery, furniture and fittings RM	Office equipment, renovation and close-circuit television RM	Motor vehicles RM	Total RM
2021						
Cost						
At 1 October 2020	1,438,404	3,823,586	1,423,775	14,697,538	2,003,452	23,386,755
Additions	-	36,874	-	114,657	-	151,531
At 30 September 2021	1,438,404	3,860,460	1,423,775	14,812,195	2,003,452	23,538,286
Accumulated depreciation						
At 1 October 2020	550,470	3,446,722	1,188,808	8,126,643	2,002,822	15,315,465
Charge for the finnacial year	41,862	88,246	82,899	2,225,584	630	2,439,221
At 30 September 2021	592,332	3,534,968	1,271,707	10,352,227	2,003,452	17,754,686
Carrying amount						
At 30 September 2021	846,072	325,492	152,068	4,459,968	-	5,783,600

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group of RM35,280 (2021: RM36,690) were pledged as securities for the bank borrowings as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

5. Investment Properties

Group	Leasehold land RM	Freehold land RM	Leasehold building RM	Freehold building RM	Capital work-in-progress RM	Total RM
2022						
Cost						
At 1 October 2021	7,504,199	8,736,809	6,040,290	385,000	4,479,809	27,146,107
Additions	-	-	-	-	2,777,548	2,777,548
At 30 September 2022	7,504,199	8,736,809	6,040,290	385,000	7,257,357	29,923,655
Accumulated depreciation						
At 1 October 2021	997,769	-	1,553,661	63,533	-	2,614,963
Charge for the financial year	89,585	-	109,125	7,704	-	206,414
At 30 September 2022	1,087,354	-	1,662,786	71,237	-	2,821,377
Carrying amount						
At 30 September 2022	6,416,845	8,736,809	4,377,504	313,763	7,257,357	27,102,278
Fair value of investment properties						
At 30 September 2022	7,913,000	9,755,000	13,134,000	424,000	-	31,226,000

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

5. Investment Properties (Cont'd)

Group	Leasehold land RM	Freehold land RM	Leasehold building RM	Freehold building RM	Capital work-in-progress RM	Total RM
2021						
Cost						
At 1 October 2020	7,504,199	8,736,809	6,040,290	385,000	712,905	23,379,203
Additions	-	-	-	-	3,766,904	3,766,904
At 30 September 2021	7,504,199	8,736,809	6,040,290	385,000	4,479,809	27,146,107
Accumulated depreciation						
At 1 October 2020	908,184	-	1,444,507	55,829	-	2,408,520
Charge for the financial year	89,585	-	109,154	7,704	-	206,443
At 30 September 2021	997,769	-	1,553,661	63,533	-	2,614,963
Carrying amount						
At 30 September 2021	6,506,430	8,736,809	4,486,629	321,467	4,479,809	24,531,144
Fair value of investment properties						
At 30 September 2021	7,554,000	8,868,000	9,691,000	365,000	-	26,478,000

5. Investment Properties (Cont'd)

(a) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2022	2021
	RM	RM
Rental income	66,000	66,000
Direct operating expenses:		
- Income generating investment properties	19,919	20,486
- Non-income generating investment properties	3,147	2,325
	89,066	88,811

(b) Investment properties pledged as securities to financial institutions

The net carrying amounts of certain investment properties of the Group have been pledged to secure banking facilities are as follows:

	Group	
	2022	2021
	RM	RM
Freehold land	8,736,809	8,736,809
Leasehold land	1,646,005	1,676,445
Leasehold building	1,644,757	1,702,765
	12,027,571	12,116,019

Fair value of investment properties was estimated by Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

6. Right-of-Use Assets

Group	Buildings RM	Motor vehicles RM	Total RM
2022			
Cost			
At 1 October 2021	76,361,890	2,268,160	78,630,050
Additions	29,333	-	29,333
Transfer from inventories (Note 11)	1,116,213	-	1,116,213
Transfer to property, plant and equipment (Note 4)	-	(906,246)	(906,246)
At 30 September 2022	77,507,436	1,361,914	78,869,350
Accumulated depreciation			
At 1 October 2021	3,792,452	1,842,890	5,635,342
Charge for the financial year	1,717,857	266,047	1,983,904
Transfer to property, plant and equipment (Note 4)	-	(906,246)	(906,246)
At 30 September 2022	5,510,309	1,202,691	6,713,000
Carrying amount			
At 30 September 2022	71,997,127	159,223	72,156,350
2021			
Cost			
At 1 October 2020	76,414,664	2,268,160	78,682,824
Modification of lease term	(52,774)	-	(52,774)
At 30 September 2021	76,361,890	2,268,160	78,630,050
Accumulated depreciation			
At 1 October 2020	2,114,966	1,570,507	3,685,473
Charge for the financial year	1,704,549	272,383	1,976,932
Modification of lease term	(27,063)	-	(27,063)
At 30 September 2021	3,792,452	1,842,890	5,635,342
Carrying amount			
At 30 September 2021	72,569,438	425,270	72,994,708

Buildings with an aggregate carrying amount of RM70,709,213 (2021: RM71,271,003) are pledged as securities for bank borrowings as disclosed in Note 18 to the financial statements.

Included in the above, motor vehicles with a carrying amount of RM159,223 (2021: RM425,270) of the Group are pledged as securities for the related lease liabilities.

7. Intangible Asset

	Group	
	2022	2021
	RM	RM
At cost		
At 1 October	2,179,143	2,427,543
Written off	-	(248,400)
At 30 September	2,179,143	2,179,143
Accumulated amortisation		
At 1 October	(1,543,678)	(1,487,555)
Amortisation for the financial year	(217,914)	(217,914)
Written off	-	161,791
At 30 September	(1,761,592)	(1,543,678)
Carrying amount		
At 30 September	417,551	635,465

Intangible asset relates to the Group's customer base that was acquired in business combination and has an average remaining amortisation period of 2 years (2021: 3 years).

8. Investment in Subsidiary Companies

	Company	
	2022	2021
	RM	RM
In Malaysia:		
At cost		
Unquoted shares	36,773,744	36,773,744
Less: Accumulated impairment losses	(4,416,853)	(4,307,514)
	32,356,891	32,466,230

Movements in the allowance for impairment losses of the investment in subsidiary companies are as follows:

	Company	
	2022	2021
	RM	RM
At 1 October	4,307,514	3,201,000
Add: Impairment losses recognised	109,339	1,106,514
At 30 September	4,416,853	4,307,514

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest (%) 2022	2021	Principal activities
Direct holding:				
Digistar Holdings Sdn. Bhd.	Malaysia	100	100	Designing, supplying, 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 electronics systems, hotel and resort management, construction of non-residential buildings and bee keeping and production of honey and beeswax
Panorama Tv Asia Broadcast Sdn. Bhd. (Formerly known as Digistar Rauland MSC Sdn. Bhd.)	Malaysia	100	100	Health television operator
Rauland Asia Sdn. Bhd.	Malaysia	100	100	Designing, supplying installation and integration of security monitoring systems
Nielsen Ward Sdn. Bhd.	Malaysia	100	100	Money lender
Seni Pujaan Sdn. Bhd.	Malaysia	100	100	Property development and hotel operator

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%) 2022	Effective interest (%) 2021	Principal activities
Direct holding: (Cont'd)				
Matang Makmur Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
Digistar Construction (M) Sdn. Bhd.	Malaysia	100	100	Provision of construction services
Sakura Management Travel & Tours Sdn. Bhd. (Formerly known as Sakura Management Sdn. Bhd.)	Malaysia	100	100	Property management
Mulia Optima Sdn. Bhd.	Malaysia	100	100	Dormant
Jaya Persada Sdn. Bhd.	Malaysia	100	100	Investment holding
Full Image Sdn. Bhd.	Malaysia	100	100	Selling of information and communication technology products

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%) 2022	2021	Principal activities
Indirect holding:				
Subsidiary company of Matang Makmur Holdings Sdn. Bhd.				
Indera Persada Sdn. Bhd.	Malaysia	70	70	Undertake the construction and provide asset management services for the concession asset
Subsidiary companies of Digistar Holdings Sdn. Bhd.				
Digistar Properties Sdn. Bhd.	Malaysia	100	100	Renting, maintaining and upkeep of properties
Protecs A&A CMS Sdn. Bhd.	Malaysia	98	98	Central monitoring security services and trading of security equipment
Wemal-Maxi Protect Sdn. Bhd.	Malaysia	51	51	Provision of security central monitoring services

(a) Material partly-owned subsidiary companies

The non-controlling interests at the end of the reporting period comprises the following:

Name of Company	Effective Equity Interest 2022	2021	Accumulated Non-Controlling Interests 2022	2021
Indera Persada Sdn. Bhd.	30%	30%	(4,061,063)	(4,752,248)
Individually immaterial subsidiary companies with non-controlling interests			(52,627)	7,832
Total non-controlling interests			(4,113,690)	(4,744,416)

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

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

	Indera Persada Sdn. Bhd.	
	2022	**2021**
	RM	**RM**
Non-current assets	136,608,833	145,816,411
Current assets	44,187,896	44,743,329
Non-current liabilties	(139,102,208)	(155,293,258)
Current liabilites	(70,631,398)	(63,307,308)
Net liabiltites	(28,936,877)	(28,040,826)
Revenue	26,530,079	27,647,674
Profit/(Loss) before tax	4,619,594	(5,988,976)
Taxation	(2,315,645)	493,679
Profit/(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year	2,303,949	(5,495,297)
Total comprehensive income/(loss) attributable to non-controlling interests	691,185	(1,648,589)
Net cash from operating activities	26,520,025	15,228,271
Net cash from investing activities	2,689,725	13,211,821
Net cash used in financing activities	(28,448,161)	(20,061,969)
Net increase in cash and cash equivalents	761,589	8,378,123

(b) Acquisition of non-controlling interests

<u>In the previous financial year</u>

On 1 October 2020, the Company acquired additional 20% equity interest in Digistar Rauland MSC Sdn. Bhd., increasing its ownership from 80% to 100%. The carrying amount of Digistar Rauland MSC Sdn. Bhd.'s net liabilities in the Group's financial statements on the date of acquisition was RM3,492,437. The Group recognised an increase in non-controlling interest of RM698,487.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

8. Investment in Subsidiary Companies (Cont'd)

(b) Acquisition of non-controlling interests (Cont'd)

In the previous financial year (Cont'd)

On 20 May 2021, a wholly-owned subsidiary company of the Company, Digistar Holdings Sdn. Bhd. acquired additional 2% equity interest in Protecs A&A CMS Sdn. Bhd., increasing its ownership from 96% to 98%. The carrying amount of Protecs A&A CMS Sdn. Bhd.'s net assets in the Group's financial statements on the date of acquisition was RM2,184,556. The Group recognised a decrease in non-controlling interest of RM43,691.

(c) Impairment losses on investment in subsidiary companies

During the financial year

The recoverable amount of the Company's investment in Nielsen Ward Sdn. Bhd. estimated based on value-in-use method was RM1,285,149. Therefore, an impairment loss amounting to RM109,339 was recognised during the financial year. As a result, the Company's investment in Nielsen Ward Sdn. Bhd. is amounted of RM1,285,149 as at 30 September 2022.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

In the previous financial year

The recoverable amount of the Company's investment in Nielsen Ward Sdn. Bhd. estimated based on value-in-use method was RM1,394,488. Therefore, an impairment loss amounting to RM1,106,514 was recognised during the financial year. As a result, the Company's investment in Nielsen Ward Sdn. Bhd. is amounted of RM1,394,488 as at 30 September 2021.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

9. Trade Receivables

Group	Interest bearing RM	Non-interest bearing RM	Total RM
2022			
Non-current			
Concession receivable	136,608,833	-	136,608,833
Current			
Concession receivable	9,190,691	-	9,190,691
Trade receivables	978,818	21,169,719	22,148,537
Retention sum	-	342,000	342,000
	10,169,509	21,511,719	31,681,228
	146,778,342	21,511,719	168,290,061
Less: Accumulated impairment losses	(785,596)	(11,341,178)	(12,126,774)
	145,992,746	10,170,541	156,163,287
2021			
Non-current			
Concession receivable	145,799,526	-	145,799,526
Current			
Concession receivable	8,057,086	-	8,057,086
Trade receivables	784,477	22,127,197	22,911,674
	8,841,563	22,127,197	30,968,760
	154,641,089	22,127,197	176,768,286
Less: Accumulated impairment losses	(544,590)	(11,526,173)	(12,070,763)
	154,096,499	10,601,024	164,697,523

Trade receivables are generally from 7 to 90 days (2021: 7 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The concession receivable with interest-bearing represents fair value of the consideration receivable from the construction services delivered. It carries an interest at rate of 14% (2021: 14%) per annum. It is repayable in the form of availability charges upon fulfilment of the terms and conditions as stipulated in the concession agreement.

The trade receivables with interest-bearing was under instalment plan. It carries on interest rate of 3.50% to 4.50% (2021: 4.50%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

9. Trade Receivables (Cont'd)

Movement in the allowance for impairment losses of the trade receivables are as follow:

	Group 2022 RM	Group 2021 RM
At 1 October	12,070,763	10,344,299
Impairment losses recognised	1,874,209	3,016,144
Impairment losses reversed	(1,291,017)	(1,184,850)
Amount written off	(527,181)	(104,830)
At 30 September	12,126,774	12,070,763

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Reversal of impairment losses on trade receivables was mainly due to collection from receivables previously provided for doubtful debts.

The aged analysis of trade receivables ageing as at the end of reporting period:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2022			
Neither past due nor impaired	149,696,483	(35,936)	149,660,547
Past due but not impaired:			
Less than 30 days	224,342	(39,700)	184,642
31 - 90 days	235,125	(79,439)	155,686
More than 90 days	9,371,173	(3,208,761)	6,162,412
	9,830,640	(3,327,900)	6,502,740
	159,527,123	(3,363,836)	156,163,287
Individually impaired	8,762,938	(8,762,938)	-
	168,290,061	(12,126,774)	156,163,287

9. Trade Receivables (Cont'd)

The aged analysis of trade receivables ageing as at the end of reporting period: (Cont'd)

Group	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Neither past due nor impaired	157,361,392	(4,844)	157,356,548
Past due but not impaired:			
Less than 30 days	519,675	(3,820)	515,855
30 - 90 days	197,767	(112,126)	85,641
More than 90 days	8,287,811	(1,548,332)	6,739,479
	9,005,253	(1,664,278)	7,340,975
	166,366,645	(1,669,122)	164,697,523
Individually impaired	10,401,641	(10,401,641)	-
	176,768,286	(12,070,763)	164,697,523

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

The Group has applied a provision matrix approach in calculating loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting period. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of general economic conditions of the industry and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

As at 30 September 2022, trade receivables of RM6,502,740 (2021: RM7,340,975) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM8,762,938 (2021: RM10,401,641), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

10. Amount Due From/(To) Subsidiary Companies

	Note	Company 2022 RM	Company 2021 RM
Non-current			
Amount due from subsidiary companies			
Non-interest bearing	(a)	161,056,714	161,174,347
Less: Accumulated impairment losses		(57,638,047)	(39,843,457)
		103,418,667	121,330,890
Current			
Amount due to subsidiary companies			
Interest bearing	(b)	(62,247,097)	(62,683,644)
Non-interest bearing	(c)	(19,806,973)	(17,826,005)
		(82,054,070)	(80,509,649)

Movement in the allowance for impairment losses of the amount due from subsidiary companies are as follow:

	Company 2022 RM	Company 2021 RM
At 1 October	39,843,457	19,043,235
Impairment losses recognised	17,794,590	20,800,222
At 30 September	57,638,047	39,843,457

(a) Amount due from subsidiary companies are non-trade related, unsecured advances and are not expected to be recalled within the next 12 months.

(b) Amount due to subsidiary companies are non-trade related, unsecured advances, which bear interest at rate of 6.90% (2021: 6.90%) per annum and repayable on demand.

(c) Amount due to subsidiary companies are non-trade related, unsecured advances and repayable on demand.

11. Inventories

	Group 2022 RM	Group 2021 RM
At cost:		
Unsold completed properties	-	1,116,213
Finished goods	656,609	553,211
	656,609	1,669,424
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,663,331	1,104,150
Inventories written off	-	622,041

12. Other Receivables

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other receivables	(a)	6,814,939	6,603,858	285	3,425
Less: Accumulated impairment losses		(2,372,029)	(2,387,800)	-	-
		4,442,910	4,216,058	285	3,425
Amount due from related parties	(b)	518,030	549,109	-	-
Less: Accumulated impairment losses		(518,030)	(549,109)	-	-
		-	-	-	-
Deposits		154,852	163,637	1,500	1,500
GST and SST refundable		39,261	37,141	-	-
Prepayments		224,808	170,931	-	-
		4,861,831	4,587,767	1,785	4,925

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

12. Other Receivables (Cont'd)

Movement in the allowance for impairment losses of the other receivables and amount due from related parties are as follow:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 October	2,936,909	2,734,481	-	-
Impairment losses recognised	103,253	1,430,698	-	-
Impairment losses reversed	(150,103)	(522,111)	-	-
Amount written off	-	(706,159)	-	-
At 30 September	2,890,059	2,936,909	-	-

Reversal of impairment losses on other receivables and amount due from related companies was mainly due to collection from receivables previously provided for doubtful debts.

(a) Included in other receivables of the Group of RM1,478,009 (2021: RM1,478,009) are advances paid to subcontractors for supply of goods and services.

(b) Amount due from related parties are non-interest bearing, unsecured advances and repayable on demand.

Amount due from related parties of the Group included Digistar Vision Sdn. Bhd., Harrington (M) Sdn. Bhd. and Pembinaan ZMZ Gemilang Sdn. Bhd., all the companies in which certain directors of the Company have financial interests.

13. Deposits, Cash and Bank Balances

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fixed deposits with licensed banks	40,098,617	44,413,442	4,000,000	4,000,000
Cash and bank balances	16,510,517	18,217,174	46,872	159,567
Total deposits, cash and bank balances	56,609,134	62,630,616	4,046,872	4,159,567
Bank overdrafts (Note 18)	(2,533,134)	(1,759,535)	-	-
Less: Surplus funds placed in fixed deposits with licensed banks	(19,365,038)	(6,550,907)	-	-
Less: Fixed deposits pledged with licensed banks	(13,839,460)	(25,578,640)	(4,000,000)	(4,000,000)
Less: Debt Service Reserve Account	(1,127,503)	(4,121,408)	-	-
Total cash and cash equivalents	19,743,999	24,620,126	46,872	159,567

The interest rates and maturities of the fixed deposits range from 0.20% to 2.45% (2021: 0.20% to 3.70%) per annum and 31 to 365 days (2021: 28 to 366 days), respectively.

As at 30 September 2022, the fixed deposits with licensed banks of the Group and of the Company amounting RM13,839,460 (2021: RM25,578,640) and RM4,000,000 (2021: RM4,000,000) respectively are pledged as securities for bank borrowings granted to the Group as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

14. Share Capital

	Group and Company			
	Number of ordinary shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Ordinary shares issued and fully paid:				
At 1 October	1,048,916,802	788,532,399	117,955,849	104,936,629
Share consolidation	(699,279,844)	-	-	-
Capital reduction	-	-	(70,000,000)	-
Right issue with warrants	-	260,384,403	-	13,019,220
At 30 September	349,636,958	1,048,916,802	47,955,849	117,955,849

During the financial year, the Company has consolidated every 3 existing ordinary shares into 1 new ordinary share from 1,048,916,802 existing ordinary shares to 349,636,958 new ordinary shares.

During the financial year, the Company has reduced RM70,000,000 share capital of the Company from RM117,955,849 to RM47,955,849. The corresponding credit of RM70,000,000 arising from the capital reduction has been utilised to eliminate the accumulated losses of the Company during the financial year.

In the previous financial year, the Company issued 260,384,403 new ordinary shares of RM0.05 each for a total consideration of RM13,019,220 for working capital purposes pursuant to the Company's renounceable rights issue of 260,384,403 new ordinary shares in the Company ("Rights Share(s)") on the basis of 1 Rights Share for every 3 existing ordinary shares held together with 260,384,403 free detachable warrants ("Warrant(s) C") on the basis of 1 Warrant C for every 1 Rights Share subscribed by the entitled shareholders at an issue price of RM0.05 per Rights Share.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

15. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 11 March 2022, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	Group and Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Units	Units	RM	RM
At 1 October	7,372,808	7,372,808	3,248,747	3,248,747
Share consolidation	(4,915,206)	-	-	-
At 30 September	2,457,602	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 Units	Average unit price RM	Total consideration RM
At 30 September	2,457,602	1.32	3,248,747

Pursuant to the Share Consolidation during the financial year, the Company's treasury shares has been consolidated from 7,372,808 existing treasury shares to 2,457,602 new treasury shares.

As at 30 September 2022, the Company held 2,457,602 (2021: 7,372,808) treasury shares out of the total 349,636,958 (2021: 1,048,916,802) issued ordinary shares. The number of ordinary shares in issue after the offset is therefore 347,179,356 (2021: 1,041,543,994) ordinary shares. None of the treasury shares was cancelled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

16. Reserves

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Warrant reserve	11,480,058	11,480,058	11,480,058	11,480,058
Discount on share	(5,475,571)	(5,475,571)	(5,475,571)	(5,475,571)
Retained earnings/ (Accumulated losses)	10,212,468	(54,543,119)	6,955,405	(43,359,379)
	16,216,955	(48,538,632)	12,959,892	(37,354,892)

Warrant reserve/Discount on share

(i) Warrants 2013/2023

Pursuant to the Share Consolidation during the financial year, the number of Warrants 2013/2023 has been adjusted from 81,678,141 to 27,225,764 whilst the exercise price has been adjusted from RM0.25 to RM0.75.

The Company has a total of 27,225,764 (2021: 81,678,141) 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 RM0.75. The Warrants 2013/2023 are exercisable over a period of 10 years from 5 April 2013 to 4 April 2023. As at 30 September 2022, the total numbers of Warrants 2013/2023 that remain unexercised were 27,225,764 (2021: 81,678,141).

(ii) Warrants 2021/2026

Pursuant to the Share Consolidation during the financial year, the number of Warrants 2021/2026 has been adjusted from 260,384,403 to 86,794,477 whilst the exercise price has been adjusted from RM0.10 to RM0.30.

The Company has a total of 86,794,477 (2021: 260,384,403) Warrants 2021/2026 in issue at the end of the financial year. Each Warrant 2021/2026 entitles the holder to subscribe for new ordinary shares on the basis of 1 new ordinary share for 1 Warrant at the exercise price of RM0.30 per Warrant or such adjusted price as determined in the Deed Poll. The Warrants 2021/2026 are exercisable at any time within a period of 5 years, which shall commence from and including the date of issuance of the Warrants and ending on the expiry date. As at 30 September 2022, the total numbers of Warrants 2021/2026 that remain unexercised were 86,794,477 (2021: 260,384,403).

17. Lease Liabilities

	Group	
	2022	2021
	RM	RM
At 1 October	520,467	789,207
Additions	29,333	-
Payments	(252,658)	(242,131)
Modification of lease term	-	(26,609)
At 30 September	297,142	520,467
Presented as:		
Non-current	43,702	250,244
Current	253,440	270,223
	297,142	520,467
The maturity analysis of lease liabilities of the Group at the end of the reporting period:		
Within one year	233,210	259,536
Later than one year and not later than two years	72,568	217,609
Later than two years and not later than five years	-	68,668
	305,778	545,813
Less: Future finance charges	(8,636)	(25,346)
Present value of lease liabilties	297,142	520,467

The Group leases various buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

18. Bank Borrowings

	Group	
	2022	2021
	RM	RM
Secured		
Term loans	4,748,456	4,193,982
Bank overdrafts	2,533,134	1,759,535
	7,281,590	5,953,517
Non-current		
Term loans	3,893,453	3,003,026
Current		
Term loans	855,003	1,190,956
Bank overdrafts	2,533,134	1,759,535
	3,388,137	2,950,491
	7,281,590	5,953,517

The bank borrowings obtained from the local banks are secured by the following:

(i) An open all monies facility agreement between the subsidiary companies;

(ii) Legal charge over certain freehold land and leasehold land as well as buildings of the Group as disclosed in Notes 4, 5, and 6;

(iii) Pledged of certain fixed deposits with licensed banks of the Group and of the Company as mentioned in Note 13; and

(iv) Corporate guarantee by the Company.

The average effective interest rates per annum are as follows:

	Group	
	2022	2021
	%	%
Term loans	3.44 - 6.56	3.44 - 5.81
Bank overdrafts	7.40 - 7.57	6.65 - 6.82

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

19. Bonds

	Note	Maturity Year	Group 2022 RM	Group 2021 RM
Secured, fixed rate bond:	(a)			
- 4.40% per annum		2022	-	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:	(a)			
- 16.00% per annum		2028	11,000,000	11,000,000
Unrated, fixed rate serial bond:	(b)			
- 6.80% per annum		2030	25,000,000	25,000,000
- 6.90% per annum		2031	25,000,000	25,000,000
- 7.00% per annum		2032	30,000,000	30,000,000
			226,000,000	246,000,000
Less:				
- Bond discount			(2,695,871)	(3,549,645)
- Transaction costs			(3,823,536)	(4,793,950)
			219,480,593	237,656,405
Accrued interest			2,923,354	2,983,500
			222,403,947	240,639,905
Current				
- repayable not later than 1 year			21,430,214	21,249,941
Non-current:				
- repayable between 1 to 5 years			77,583,342	76,220,411
- repayable more than 5 years			123,390,391	143,169,553
			200,973,733	219,389,964
			222,403,947	240,639,905

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

19. Bonds (Cont'd)

(a) Indera Persada Sdn. Bhd. ("IPSB"), a 70% owned subsidiary of the Company, issued RM280 million Fixed Rate Serial Bonds and RM15 million Subordinated Bonds which included RM4 million subscribed by Matang Makmur Holdings Sdn. Bhd. ("MMHSB"), a subsidiary of Digistar Corporation Berhad on 5 September 2013.

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 have been utilised by IPSB to finance the construction of a Training Institute in Malacca for Ministry of Works ("JKR Project"), under an 18-year Concession Agreement ("CA") with the Government of Malaysia.

The bonds are secured against certain assets of IPSB.

(b) On 13 March 2018, Jaya Persada Sdn. Bhd. ("JPSB"), a wholly-owned subsidiary of the Company issued RM80 million Unrated Fixed Rated Serial Bonds.

The entire bonds were divided into 3 tranches, with maturity periods ranging from 12 years to 14 years commencing from April 2030 to April 2032.

The coupon rates range from 6.80% to 7.00% per annum and the coupon interests are payable semi-annually on each series of the bonds.

Proceeds raised from the bonds shall be utilised by JPSB for the purposes below:

(i) To fund the costs and expenses incurred in respect of the establishment/issuance of the bonds;

(ii) To redeem the subsidiary, Seni Pujaan Sdn. Bhd.'s ("SPSB") existing loan secured over the master title to the hotel owned and operated by SPSB;

(iii) To finance the expansion and refurbishment of the hotel owned by SPSB including but not limited to refurbishment of hotel suites, design and construction of banquet hall and other enhancement for the hotel and other hospitality/related assets managed;

(iv) To finance the design and construction of Wisma Digistar;

(v) To finance the expansion of the JKR Project and/or to finance working capital of the holding company including expansion of the Group's mobile business and acquisitions related to the Group's core business and the operating expenses incurred by the Group; and

(vi) To finance the Company's obligation to pay the minority interest's entitlement pursuant to the Company's letter to the minority interest.

The bonds are secured against certain assets of the Group.

19. Bonds (Cont'd)

Transaction costs relate to the payment of ancillary fees, costs and expenses related to the issuance of bonds.

20. Deferred Tax Liabilities

	Group	
	2022	2021
	RM	RM
At 1 October	10,767,290	10,648,350
Recognised in profit or loss	2,107,328	(661,141)
Under provision in prior years	208,317	780,081
At 30 September	13,082,935	10,767,290

The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	Group	
	2022	2021
	RM	RM
Deferred tax liabilities	13,453,337	12,795,355
Deferred tax assets	(370,402)	(2,028,065)
	13,082,935	10,767,290

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liabilities	**Accelerated capital allowances RM**
At 1 October 2021	12,795,355
Recognised in profit or loss	657,391
Under provision in prior years	591
At 30 September 2022	13,453,337
At 1 October 2020	11,999,094
Recognised in profit or loss	883,785
Over provision in prior years	(87,524)
At 30 September 2021	12,795,355

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

20. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets are as follows: (Cont'd)

Deferred tax assets	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 October 2021	(2,028,065)	-	(2,028,065)
Recognised in profit or loss	1,449,937	-	1,449,937
Over/(Under) provision in prior years	475,253	(267,527)	207,726
At 30 September 2022	(102,875)	(267,527)	(370,402)
At 1 October 2020	(383,217)	(967,527)	(1,350,744)
Recognised in profit or loss	(1,812,453)	267,527	(1,544,926)
Over provision in prior years	167,605	700,000	867,605
At 30 September 2021	(2,028,065)	-	(2,028,065)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other deductible temporary differences	5,179,539	5,025,880	-	-
Unabsorbed capital allowances	2,709,364	1,973,299	-	-
Unutilised tax losses	2,836,742	2,982,306	-	-
	10,725,645	9,981,485	-	-

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

21. Contract Liabilities

		Group	
		2022	2021
	Note	RM	RM
Contract liabilities			
- Construction contracts	(a)	20,916	-
- Advances received from customers	(b)	271,471	330,192
- Security services	(c)	690,313	837,447
		982,700	1,167,639

(a) Construction contracts

	Group	
	2022	2021
	RM	RM
At 1 October	-	823,822
Revenue recognised during the financial year	4,993,871	443,658
Progress billings issued during the financial year	(5,014,787)	(397,739)
Contract costs incurred during the financial year	4,791,362	129,299
Contract costs recognised during the financial year	(4,791,362)	(999,040)
At 30 September	(20,916)	-

Revenue relating to construction contracts is recognised over time, while the customers pay according to contractual milestones. Thus, the timing differences give rise to contract liabilities.

The contract liabilities primarily relate to the advances consideration received from customers for construction contracts, which revenue is recognised over time during the construction activities.

(b) Advances received from customers

Represents advances received from customers for the services yet to be performed at the reporting date.

(c) Security services

Revenue relating to security services is recognised over time, while the customers pay up-front in full. A contract liability is recognised upon collection of transaction price and being recognised as revenue over the service period.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

22. Trade Payables

	Group 2022 RM	Group 2021 RM
Trade payables		
- third parties	4,392,882	2,594,089
- retention sum	739,230	397,270
	5,132,112	2,991,359

Credit terms of trade payables of the Group ranged from 30 to 60 (2021: 30 to 60) days, depending on the term of the contracts.

23. Other Payables

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other payables	(a)	12,692,809	10,072,132	44,201	43,353
Amount due to directors	(b)	100,000	100,000	-	-
Amount due to related parties	(c)	35,516	35,516	-	-
Deposits repayable		187,047	22,120	-	-
SST payable		338,398	254,679	-	-
Accruals		3,109,920	3,712,704	58,950	56,400
		16,463,690	14,197,151	103,151	99,753

(a) Included in the other payables of the Group, there is fund received from the Government for Asset Management Programme amounting to RM9,628,519 (2021: RM7,890,405) for the use in the asset replacement during the concession period. Upon expiring of the concession period, the Government will be entitled to the unutilised fund received.

In the previous financial year, there is also a commission payable to a contractor for a joint development project amounting to approximately RM700,000.

(b) Amount due to directors are non-interest bearing, unsecured advances and repayable on demand.

23. Other Payables (Cont'd)

(c) Amount due to related parties are non-interest bearing, unsecured advances and repayable on demand.

Amount due to related parties of the Group included Digistar Vision Sdn. Bhd. and Harrington (M) Sdn. Bhd., all the companies in which certain directors of the Company have financial interests.

24. Revenue

	Group	
	2022	**2021**
	RM	**RM**
Revenue from contracts with customers:		
- Construction contracts revenue	4,993,871	443,658
- Security service income	3,670,835	2,706,982
- Maintenance income	5,165,691	5,266,360
- Hotel room management	10,556,750	3,917,738
- Sale of goods	209,202	2,783
- Food and beverage and other ancillary services income	3,576,585	4,112,718
	28,172,934	16,450,239
Revenue from other sources:		
- Interest income	-	405
- Interest income from concession assets	21,647,160	22,640,948
- Rental income from investment properties	66,000	66,000
	21,713,160	22,707,353
	49,886,094	39,157,592
Timing of revenue recognition		
At a point in time	3,785,787	4,115,501
Over time	24,387,147	12,334,738
Total revenue from contracts with customers	28,172,934	16,450,239

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

25. Finance Costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses of financial liabilities not at fair value through profit or loss:				
- Amortisation of deferred payment of bonds	1,824,188	2,068,627	-	-
- Amount due to subsidiary companies	-	-	1,032,913	1,042,892
- Bank overdrafts	151,044	142,569	-	-
- Bonds	14,524,987	15,376,681	-	-
- Lease liabilities	18,578	29,005	-	-
- Other finance costs	12,402	4,315	-	-
- Term loans	285,603	212,698	-	-
	16,816,802	17,833,895	1,032,913	1,042,892

26. Loss Before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- Statutory audits				
- Current year	136,000	130,000	38,000	38,000
- Over provision in prior years	-	(7,000)	-	(5,000)
- Non-statutory services	5,000	5,000	5,000	5,000
Amortisation of:				
- Intangible asset	217,914	217,914	-	-
- Investment properties	206,414	206,443	-	-
Bad debts recovered	(2,367)	-	-	-
Bad debts written off:				
- Trade receivables	-	153,349	-	-
- Other receivables	-	1,788,401	-	-

26. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Depreciation of property plant and equipment	1,944,950	2,439,221	-	-
Depreciation of right-of-use assets	1,983,904	1,976,932	-	-
Gain on modification of lease term	-	(898)	-	-
Impairment losses on:				
- Amount due from subsidiary companies	-	-	17,794,590	20,800,222
- Investment in subsidiary companies	-	-	109,339	1,106,514
- Trade receivables	1,874,209	3,016,144	-	-
- Other receivables	103,253	1,430,698	-	-
Independent non-executive Directors' remuneration:				
- Other emoluments	19,500	18,000	19,500	18,000
- Directors' fees	175,000	15,000	175,000	15,000
Interest income:				
- Deposits with licensed banks	(655,885)	(780,350)	(51,858)	(76,614)
- Trade receivables	(44,596)	(42,973)	-	-
- Others	(268,751)	(197,591)	-	-
Lease expenses relating to low-value assets	20,067	6,969	-	-
Lease expenses relating to short-term leases	143,116	343,139	-	-
Realised loss/(gain) on foreign exchange	29,413	(2,809)	-	-
Reversal of impairment losses on:				
- Trade receivables	(1,291,017)	(1,184,850)	-	-
- Other receivables	(150,103)	(522,111)	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

26. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unrealised gain on foreign exchange	(13,745)	(55,025)	-	-
Written off of:				
- Intangible asset	-	86,609	-	-
- Inventories	-	622,041	-	-
- Property, plant and equipment	148	-	-	-

27. Taxation

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Tax expenses for the financial year:				
Current tax:				
- Current year	163,000	165,300	-	-
- Under provision in prior years	108,948	58,558	-	85,337
	271,948	223,858	-	85,337
Deferred tax:				
Relating to origination and reversal of temporary differences	2,107,328	(661,141)	-	-
Under provision in prior years	208,317	780,081	-	-
	2,315,645	118,940	-	-
	2,587,593	342,798	-	85,337

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year.

27. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to loss before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before tax	(2,026,094)	(7,956,226)	(19,685,216)	(23,509,147)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(486,263)	(1,909,494)	(4,724,452)	(5,642,195)
Expenses not deductible for tax purposes	2,033,965	3,140,713	4,724,452	5,642,195
Income not subject to tax	(21,534)	(104,517)	-	-
Deferred tax assets not recognised during the year	774,298	1,170,786	-	-
Utilisation of deferred tax assets not recognised previously	(30,138)	(2,793,329)	-	-
	2,270,328	(495,841)	-	-
Under provision of income tax expenses in prior years	108,948	58,558	-	85,337
Under provision of deferred tax in prior years	208,317	780,081	-	-
	2,587,593	342,798	-	85,337

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losss has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

27. Taxation (Cont'd)

The Group has unabsorbed capital allowances and unutilised tax losses carried forward, available to off-set against future taxable profits as follows:

	Group 2022 RM	Group 2021 RM
Unabsorbed capital allowances	11,717,662	14,692,128
Unutilised tax losses, expiring on:		
- year assessment 2025	1,114,694	1,114,694
- year assessment 2028	3,644,094	4,065,417
- year assessment 2029	5,269,914	5,269,914
- year assessment 2030	1,513,451	1,814,382
- year assessment 2031	220,505	1,276,565
- year assessment 2032	1,171,798	-
	24,652,118	28,233,100

28. Loss Per Share

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group 2022 RM	Group 2021 RM
Loss attributable to owners of the parent for basic earnings	(5,244,413)	(6,665,225)
Weighted average number of ordinary shares as at 30 September	813,269,074	875,564,994
Basic loss per ordinary share (sen)	(0.64)	(0.76)

(b) Diluted loss per share

The Group has no dilution in its loss per ordinary share as the exercise price of the Group's warrants has exceeded the share price of the Group as at reporting date, the options do not have any dilutive effect on the weighted average number of ordinary shares.

29. Staff Costs

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Salaries, wages and other emoluments	11,664,387	8,196,236	19,500	18,000
Directors' fees	175,000	15,000	175,000	15,000
Social security contributions	202,577	90,534	-	-
Defined contributions plans	712,024	661,221	-	-
	12,753,988	8,962,991	194,500	33,000

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors of the Company:				
Executive Directors				
Salaries and other emoluments	1,945,500	1,498,259	-	-
Social security contributions	2,829	2,539	-	-
Defined contributions plans	77,940	63,190	-	-
	2,026,269	1,563,988	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

30. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

			Non-cash changes			
Group	**At 1 October 2021 RM**	**Financing cash flows (i) RM**	**New lease (Note 6) RM**	**Amortisation of deferred payment of bonds RM**	**Interest payable RM**	**At 30 September 2022 RM**
Lease liabilities (Note 17)	520,467	(252,658)	29,333	-	-	297,142
Term loans (Note 18)	4,193,982	554,474	-	-	-	4,748,456
Bonds (Note 19)	240,639,905	(20,000,000)	-	1,824,188	(60,146)	222,403,947

			Non-cash changes			
Group	**At 1 October 2020 RM**	**Financing cash flows (i) RM**	**Modification of lease term (Note 17) RM**	**Amortisation of deferred payment of bonds RM**	**Interest payable RM**	**At 30 September 2021 RM**
Lease liabilities (Note 17)	789,207	(242,131)	(26,609)	-	-	520,467
Term loans (Note 18)	3,523,174	670,808	-	-	-	4,193,982
Bonds (Note 19)	258,543,308	(20,000,000)	-	2,068,627	27,970	240,639,905
Amount due to directors (Note 23)	20,720	79,280	-	-	-	100,000

30. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

Company	At 1 October 2021 RM	Financing cash flows (i) RM	Non-cash changes Interest payable RM	At 30 September 2022 RM
Amount due to subsidiary companies (Note 10)	80,509,649	511,508	1,032,913	82,054,070

Company	At 1 October 2020 RM	Financing cash flows (i) RM	Non-cash changes Interest payable RM	At 30 September 2021 RM
Amount due to subsidiary companies (Note 10)	80,104,497	(637,740)	1,042,892	80,509,649

(i) The cash flows from lease liabilities, term loans, bonds, amount due to directors and amount due to subsidiary companies make up the net amount of proceeds from or repayments or payment in the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

31. Financial Guarantees

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Secured				
Corporate guarantee given by the Company to financial institutions for banking facilities granted to a subsidiary company's customers for due performance of works by the subsidiary company	190,641	190,641	190,641	190,641
Corporate guarantee given by the Company to financial institutions for banking facilities granted to a subsidiary company's suppliers for credit facilities	732,785	439,140	732,785	439,140
Corporate guarantee given by the Company to financial institutions for banking facilities granted to subsidiary companies	-	-	6,478,916	4,819,543
	923,426	629,781	7,402,342	5,449,324

32. Contingencies

Litigation

During the financial year, the Company has been involved in a litigation as defendant as disclosed in Note 37(c) to the financial statements.

As the outcome of this litigation is not presently known, the financial impact cannot be estimated or ascertained with reasonable certainty. Therefore, the Company is unable to quantify the financial impact or expected losses, if any. Should the outcome of the litigation be unfavorable to the Company, the Company is required to make the necessary provision of liability.

33. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Transaction with a subsidiary company				
- Interest payable	-	-	1,032,913	1,042,892

(c) Compensation of key management personnel

In addition to the remuneration of Directors disclosed in Note 29 to the financial statements, the remuneration of other members of key management are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Key management personnel				
Short-term employee benefits	1,309,568	938,971	-	-

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group

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) System 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, security monitoring systems, integrated audio and visual systems and other related electronic systems.

(ii) Rental and hotel segment - involved in renting, maintaining and upkeep of properties, heath television operator and hotel operator.

(iii) Concession segment - involved in concession arrangement between Group and the Grantor for the privatisation of the design, development, construction and completion of the Facilities and Infrastructure for JKR Training Institute and to carry out the Asset Management Services.

(iv) Investment holding segment - investment holding.

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

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2022						
Revenue						
External revenue	9,156,680	14,199,335	26,530,079	-	-	49,886,094
Inter-segment revenue	2,501,253	40,800	-	-	(2,542,053)	-
Total revenue	11,657,933	14,240,135	26,530,079	-	(2,542,053)	49,886,094
Results						
Segment results	(1,402,541)	7,345,986	15,504,996	(5,709,131)	2,955,726	18,695,036
Amortisation of:						
- Intangible asset	-	-	-	(217,914)	-	(217,914)
- Investment properties	-	(245,721)	-	-	39,307	(206,414)
Bad debts recovered	2,367	-	-	-	-	2,367
Depreciation of property, plant and equipment	(247,713)	(1,657,930)	-	-	(39,307)	(1,944,950)
Depreciation of right-of-use assets	(287,177)	(1,706,857)	(16,885)	-	27,015	(1,983,904)
Finance costs	(221,166)	(3,411,584)	(12,037,607)	(6,893,042)	5,746,597	(16,816,802)
Impairment losses on:						
- Trade receivables	(585,585)	(1,037,350)	(251,274)	-	-	(1,874,209)
- Other receivables	(78,359)	-	(24,894)	-	-	(103,253)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2022 (Cont'd)						
Results (Cont'd)						
Interest income:						
- Deposits with licensed banks	-	-	446,040	209,845	-	655,885
- Trade receivables	-	44,596	-	-	-	44,596
- Others	226,054	-	-	42,697	-	268,751
Reversal of impairment losses on:						
- Trade receivables	776,949	514,068	-	-	-	1,291,017
- Other receivables	117,148	32,955	-	-	-	150,103
Unrealised gain on foregin exchange	13,745	-	-	-	-	13,745
Written off of:						
- Property, plant and equipment	-	(148)	-	-	-	(148)
Loss before tax						(2,026,094)
Taxation						(2,587,593)
Loss for the financial year						(4,613,687)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2022 (Cont'd)						
Assets and liabilities						
Segment assets	22,044,032	117,416,320	191,300,583	234,705,514	(243,005,966)	322,460,483
Segment liabilities	23,509,353	105,731,423	209,959,180	174,115,388	(247,665,228)	265,650,116
Other information						
Additions to non-current assets	76,578	3,075,860	-	-	-	3,152,438

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2021						
Revenue						
External revenue	3,413,057	8,096,456	27,647,674	405	-	39,157,592
Inter-segment revenue	16,810,192	40,800	1,372,048	-	(18,223,040)	-
Total revenue	20,223,249	8,137,256	29,019,722	405	(18,223,040)	39,157,592
Results						
Segment results	4,803,320	1,617,840	7,871,104	(17,246,043)	21,985,402	19,031,623
Amortisation of:						
- Intangible asset	-	-	-	(217,914)	-	(217,914)
- Investment properties	-	(245,725)	-	-	39,282	(206,443)
Bad debts written off:						
- Trade receivables	(153,349)	-	-	-	-	(153,349)
- Other receivables	(1,587,862)	-	-	(200,539)	-	(1,788,401)
Depreciation of property, plant and equipment	(655,192)	(1,744,747)	-	-	(39,282)	(2,439,221)
Depreciation of right-of-use assets	(293,339)	(1,693,724)	(16,884)	-	27,015	(1,976,932)
Finance costs	(175,335)	(3,444,546)	(13,140,834)	(6,870,282)	5,797,102	(17,833,895)
Gain on modification of lease term	898	-	-	-	-	898
Impairment losses on:						
- Trade receivables	(2,620,343)	(395,801)	-	-	-	(3,016,144)
- Other receivables	(1,128,959)	(301,739)	-	-	-	(1,430,698)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2021 (Cont'd)						
Results (Cont'd)						
Interest income:						
- Deposits with licensed banks	-	-	534,732	245,618	-	780,350
- Trade receivables	-	42,973	-	-	-	42,973
- Others	197,591	-	-	-	-	197,591
Reversal of impairment losses on:						
- Trade receivables	1,184,850	-	-	-	-	1,184,850
- Other receivables	522,111	-	-	-	-	522,111
Unrealised gain on foregin exchange	55,025	-	-	-	-	55,025
Written off of:						
- Intangible asset	-	-	-	(86,609)	-	(86,609)
- Inventories	(622,041)	-	-	-	-	(622,041)
Loss before tax						(7,956,226)
Taxation						(342,798)
Loss for the financial year						(8,299,024)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

34. Segment Information - Group (Cont'd)

	System integration RM	Rental and hotel RM	Concession RM	Investment holding RM	Eliminations RM	Total RM
2021 (Cont'd)						
Assets and liabilities						
Segment assets	23,550,147	119,492,975	202,311,403	245,361,324	(253,048,467)	337,667,382
Segment liabilities	23,218,076	107,525,259	219,074,731	172,203,653	(245,778,391)	276,243,328
Other information						
Additions to non-current assets	46,904	3,871,531	-	-	-	3,918,435

34. Segment Information - Group (Cont'd)

Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment, investment properties, right-of-use assets and intangible asset including assets from the acquisition of subsidiary companies.

Inter-segment revenues are eliminated on consolidation.

Geographical information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customers

Information about major customers was not disclosed as its exposure spread over a large number of customers for both financial years.

35. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expense including their fair value gains or losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	**At amortised cost RM**
2022	
Financial assets	
Trade receivables	156,163,287
Other receivables (excluding prepayments, GST and SST refundable)	4,597,762
Deposits, cash and bank balances	56,609,134
	217,370,183
Financial liabilities	
Lease liabilities	297,142
Bank borrowings	7,281,590
Bonds	222,403,947
Trade payables	5,132,112
Other payables (excluding SST payable)	16,125,292
	251,240,083
2021	
Financial assets	
Trade receivables	164,697,523
Other receivables (excluding prepayments, GST and SST refundable)	4,379,695
Deposits, cash and bank balances	62,630,616
	231,707,834
Financial liabilities	
Lease liabilities	520,467
Bank borrowings	5,953,517
Bonds	240,639,905
Trade payables	2,991,359
Other payables (excluding SST payable)	13,942,472
	264,047,720

35. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

Company	At amortised cost RM
2022	
Financial assets	
Amount due from subsidiary companies	103,418,667
Other receivables	1,785
Deposits, cash and bank balances	4,046,872
	107,467,324
Financial liabilities	
Amount due to subsidiary companies	82,054,070
Other payables	103,151
	82,157,221
2021	
Financial assets	
Amount due from subsidiary companies	121,330,890
Other receivables	4,925
Deposits, cash and bank balances	4,159,567
	125,495,382
Financial liabilities	
Amount due to subsidiary companies	80,509,649
Other payables	99,753
	80,609,402

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(b) Net loss arising from financial instruments

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Net loss on impairment of financial instruments				
Financial assets at amortised cost				
Impairment losses on:				
- Trade receivables	1,874,209	3,016,144	-	-
- Other receivables	103,253	1,430,698	-	-
Reversal of impairment losses on:				
- Trade receivables	(1,291,017)	(1,184,850)	-	-
- Other receivables	(150,103)	(522,111)	-	-
Impairment losses on amount due from subsidiary companies	-	-	17,794,590	20,800,222
	536,342	2,739,881	17,794,590	20,800,222

(c) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies, financial guarantee given to financial institutions for banking facilities granted to subsidiary companies and deposits with banks and financial institutions. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantee to financial institutions for banking facilities granted to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position except for financial guarantee provided to financial institutions for banking facilities granted to subsidiary companies.

The Company's maximum exposure in their respect is RM7,402,342 (2021: RM5,449,324), representing the outstanding banking facilities to the subsidiary companies at the end of the reporting period.

<u>Credit risk concentration</u>

As at the end of the financial year, the Group has 1 (2021: 1) major customer and accounted for approximately 92% (2021: 92%) of the trade receivables outstanding.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	Within 1 year or on demand RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2022						
Non-derivative financial liabilities						
Lease liabilities	233,210	72,568	-	-	305,778	297,142
Bank borrowings	3,637,985	1,080,564	1,899,521	1,736,313	8,354,383	7,281,590
Bonds	34,370,000	33,470,000	99,810,000	151,400,000	319,050,000	222,403,947
Trade payables	5,132,112	-	-	-	5,132,112	5,132,112
Other payables	16,125,292	-	-	-	16,125,292	16,125,292
Financial guarantee liabilities *	923,426	-	-	-	923,426	-
	60,422,025	34,623,132	101,709,521	153,136,313	349,890,991	251,240,083

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Group (Cont'd)	Within 1 year or on demand RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2021						
Non-derivative financial liabilities						
Lease liabilities	259,536	217,609	68,668	-	545,813	520,467
Bank borrowings	3,137,138	459,636	1,378,908	1,947,244	6,922,926	5,953,517
Bonds	35,250,000	34,370,000	97,630,000	187,050,000	354,300,000	240,639,905
Trade payables	2,991,359	-	-	-	2,991,359	2,991,359
Other payables	13,942,472	-	-	-	13,942,472	13,942,472
Financial guarantee liabilities *	629,781	-	-	-	629,781	-
	56,210,286	35,047,245	99,077,576	188,997,244	379,332,351	264,047,720

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Company	Within 1 year or on demand RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2022						
Non-derivative financial liabilities						
Amount due to subsidiary companies	82,054,070	-	-	-	82,054,070	82,054,070
Other payables	103,151	-	-	-	103,151	103,151
Financial guarantee liabilities *	4,561,411	1,080,564	1,899,521	1,736,313	9,277,809	-
	86,718,632	1,080,564	1,899,521	1,736,313	91,435,030	82,157,221

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Company (Cont'd)	Within 1 year or on demand RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2021						
Non-derivative financial liabilities						
Amount due to subsidiary companies	80,509,649	-	-	-	80,509,649	80,509,649
Other payables	99,753	-	-	-	99,753	99,753
Financial guarantee liabilities *	3,782,829	459,636	1,378,908	1,947,244	7,568,617	-
	84,392,231	459,636	1,378,908	1,947,244	88,178,019	80,609,402

** Based on the maximum amount that can be called for under the financial guarantee contract.*

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantee to financial institutions in respect of banking facilities granted to subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

As at 30 September 2022, the maximum amount of the financial guarantee issued to the financial institutions for subsidiary companies' bank borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM7,402,342 (2021: RM5,449,324). At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their banking facilities is remote.

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily Australian Dollar (AUD), Euro (EUR), Pound Sterling (GBP), Singapore Dollar (SGD) and United States Dollar (USD).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in					
	AUD	**EUR**	**GBP**	**SGD**	**USD**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
2022						
Trade payables	(1,040)	(86,446)	(7,107)	(4,275)	(36,545)	(135,413)
2021						
Trade payables	(1,067)	(93,545)	(10,245)	(4,061)	(10,167)	(119,085)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group which have a RM functional currency. The exposure to currency risk of Company which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the AUD, EUR, GBP, SGD and USD exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	2022 Effect on loss before tax RM	2021 Effect on profit before tax RM
AUD	- strengthened 5%	(52)	(53)
	- weakened 5%	52	53
EUR	- strengthened 5%	(4,322)	(4,677)
	- weakened 5%	4,322	4,677
GBP	- strengthened 5%	(355)	(512)
	- weakened 5%	355	512
SGD	- strengthened 5%	(214)	(203)
	- weakened 5%	214	203
USD	- strengthened 5%	(1,827)	(508)
	- weakened 5%	1,827	508

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate deposits placed with licensed banks and borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets		
Trade receivables	146,778,342	154,641,089
Fixed deposits with licensed banks	40,098,617	44,413,442
	186,876,959	199,054,531
Financial liabilities		
Lease liabilities	(297,142)	(520,467)
Bonds	(222,403,947)	(240,639,905)
	(222,701,089)	(241,160,372)
	(35,824,130)	(42,105,841)
Floating rate instruments		
Financial liabilities		
Bank borrowings	(7,281,590)	(5,953,517)

	Company	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets		
Fixed deposits with licensed banks	4,000,000	4,000,000
Financial liabilities		
Amount due to subsidiary companies	(62,247,097)	(62,683,644)
	(58,247,097)	(58,683,644)

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM72,816 (2021: RM59,535) respectively, arising mainly as a result of lower/higher interest income/(expense) on floating rate loans and advances. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

35. Financial Instruments (Cont'd)

(d) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instrument not carried at fair value				Carrying
	Level 1	Level 2	Level 3	Total	amount
Group	RM	RM	RM	RM	RM
2022					
Financial liabilities					
Bonds	-	-	226,000,000	226,000,000	222,403,947
2021					
Financial liabilities					
Bonds	-	-	246,000,000	246,000,000	240,639,905

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

35. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

36. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

36. Capital Management (Cont'd)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio. The gearing ratios at end of the reporting period are as follows:

	Group	
	2022	2021
	RM	RM
Lease liabilities (Note 17)	297,142	520,467
Bank borrowings (Note 18)	7,281,590	5,953,517
Bonds (Note 19)	222,403,947	240,639,905
Less: Deposits, cash and bank balances (Note 13)	(56,609,134)	(62,630,616)
Net debts	173,373,545	184,483,273
Total equity attributable to owners of the parent	60,924,057	66,168,470
Gearing ratio (times)	2.85	2.79

There were no changes in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants, the banks may call an event of default if the Group fails to comply. The Group has compiled with these requirements.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

37. Material Litigations

(a) Digistar Holdings Sdn. Bhd. ("DHSB") against Ssangyong Engineering & Construction Co. Ltd. ("SEC")

A wholly-owned subsidiary company of the Company, DHSB has filed a sealed copy of a Writ of Civil Suit No. WA-A52-144-08/2019 against SEC with the Sessions Court at Kuala Lumpur.

DHSB, being appointed by SEC as contractor for Audio Visual Specialist and Equipment Works for two projects in Langkawi, Kedah claimed an amount of RM137,909.02 with 5% annual interest as balance payment for works done in the two projects.

The suit was struck out on 20 February 2020 but was reinstated on 15 January 2021 after an appeal by DHSB in High Court Kuala Lumpur (Appeal No. WA-12ANCvC-217-08/2020) of which the appeal against the striking out by the Kuala Lumpur Sessions Court was allowed.

DHSB's suit in Suit No. WA-A52-144-08/2019 was struck out by the Kuala Lumpur Sessions Court on 20 February 2020 ("Striking Out"). DHSB filed an appeal against the Striking Out in High Court Kuala Lumpur whereby on 15 January 2021, whereby the High Court allowed the Appeal and ordered DHSB's Suit to be reinstated in Kuala Lumpur Session Court.

On 24 March 2022, both parties have reached a mutual settlement by mentioning that SEC will pay RM70,000.00 to DHSB as a Settlement Sum. SEC is required to make the payment to DHSB on the 24th of every month starting from March 2022. The payment was settled in four instalments as follows:

Installment	Month	Amount (RM)
1st	March	20,000.00
2nd	April	17,500.00
3rd	May	17,500.00
4th	June	15,000.00
		70,000.00

However, for the purpose of legal fees and disbursement charges (inclusive of SST 6%), an amount of RM13,356.00 would be deducted from the Settlement Sum. Therefore, DHSB would receive the sum of RM56,644.00 as the final settlement.

37. Material Litigations (Cont'd)

(b) Digistar Holdings Sdn. Bhd. ("DHSB") and Schmidt Biomedtech Sdn. Bhd. ("Schmidt")

A wholly-owned subsidiary company of the Company, DHSB, being sub-contract work for extra low voltage (ELV) system vide a letter of award dated 28.8.2013 is claiming for an amount of RM361,933.63 with 8% annual interest from Schmidt for balance sum for works done.

The appointment of an Arbitrator by Pertubuhan Arkitek Malaysia ("PAM") was finalised on 3.9.2021.

DHSB has paid the initial security deposit of RM5,000.00 for appointment of a sole Arbitrator by the President of PAM but there is no indication that Schmidt has paid its share of the deposit.

On 13 January 2022, both parties have reached a mutual settlement by mentioning that Schmidt will pay RM190,000.00 to DHSB as a Settlement Sum. Schmidt made payment on 4.1.2022. However, for the purpose of legal fees and disbursement charges (inclusive of SST 6%), an amount of RM36,267.00 would be deducted from the Settlement Sum. Therefore, DHSB would receive the sum of RM153,733.00 as the final settlement.

(c) Kumpulan Melaka Berhad ("Plaintiff") against Digistar Corporation Berhad ("Defendant")

During the financial year, the Plaintiff has commenced an action against the Defendant at Melaka High Court vide suit no. MA-22NCC-10-08/2022 for a purported undertaking and guarantee of the responsibilities of Matang Makmur Holdings Sdn. Bhd. ("MMHSB") and Pembinaan Sujaman Sdn. Bhd. ("PSSB") under the shareholders' agreement dated 1.4.2013. The amount claimed by the Defendant is RM2,200,411.00.

The Government of Malaysia has entered into a Concession Agreement dated 18.3.2013 with Indera Persada Sdn. Bhd. ("IPSB") for the development and completion of a Pusat Kecemerlangan Teknologi Nasional Malaysia - Institut Latihan Jabatan Kerja Raya Malaysia" ("the Project") at the Construction Cost of RM240,000,000.00.

The Plaintiff together with PSSB and MMHSB were desirous of collaborating for the Project and the Plaintiff then entered into a shareholders' agreement dated 1.4.2013 with PSSB and MMHSB as the shareholders of IPSB to arrange and regulate the operations of IPSB and the shareholders' rights and obligations thereto ("Shareholders Agreement").

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (CONT'D)

37. Material Litigations (Cont'd)

(c) Kumpulan Melaka Berhad ("Plaintiff") against Digistar Corporation Berhad ("Defendant") (Cont'd)

Under Clause 7.3A of the Shareholders Agreement that PSSB and MMHSB shall guarantee the payments that are to be made by IPSB to the Plaintiff as its Entitlement as follows:-

(i) three point zero percent (3.0%) of the Construction Cost of the Project amounting to RM7,200,000.00 (together with a sum of RM216,000.00 being GST payable for Claims) shall be paid by way of quarterly payment throughout the Construction Period of this Project ("Entitlement A"); and

(ii) the sum of RM30,000.00 per month throughout the subsisting duration of the Concession Period shall be paid within 14 days upon receipt of payment from the Government of Malaysia pursuant to the Concession Agreement ("Entitlement B").

The Defendant had vide Letter of Undertaking and Guarantee dated 5.12.2017 addressed to the Plaintiff and to MMHSB agreed to irrecoverably and unconditionally assume MMHSB and PSSB's obligation owing to the Plaintiff under the Shareholders Agreement and to pay the Plaintiff's Entitlement under Clause 7.3A of the Shareholders Agreement.

The Plaintiff claimed that the Defendant had failed to pay the balance of Entitlement A and defaulted in payment of Entitlement B and that there is a sum of RM2,320,411.00 due and owing to the Plaintiff as at 8.10.2021 follows:-

		Amount (RM)
(a)	Balance of Entitlement A	2,000,000.00
(b)	Arrears of Entitlement B	120,000.00
(c)	Legal Fees for issuance of previous Notice of Demands	411.00
		2,320,411.00

In relation to the Entitlement B, the Defendant reiterated that the Plaintiff should commence the action against MMHSB due to there is no deed of assignment executed by the Defendant, MMHSB and PSSB as requested by the Plaintiff, therefore the obligations of MMHSB and PSSB could not be assigned and/or novated to the Defendant.

During the financial year, the Defendant has filed an application to transfer the case from Melaka High Court to Shah Alam High Court and the Plaintiff had filed a summary judgment application against the Defendant. In relation to the summary judgment application filed by the Plaintiff, the Defendant has filed affidavit in reply and written submission to resist the summary judgment application.

The hearing date of the Defendant's case transfer application has been fixed on 19.1.2023 and the hearing date for the Plaintiff's summary judgment application has yet to be fixed.

38. Subsequent Events

(a) On 30 December 2022, the Company disposed 100% equity interest in Panorama Tv Asia Broadcast Sdn. Bhd. (formerly known as Digistar Rauland MSC Sdn. Bhd.) for cash consideration of RM500,000. The subsidiary company was report as part of the system integration.

(b) On 30 December 2022, Digistar Holdings Sdn. Bhd., a wholly-owned subsidiary company of the Group, acquired 60% equity interest in Panorama Tv Asia Broadcast Sdn. Bhd. (formerly known as Digistar Rauland MSC Sdn. Bhd.) for cash consideration of RM300,000. The subsidiary company was report as part of the system integration.

(c) On 12 January 2023, the Company issued private placement of 104,153,806 new ordinary shares at an issue price of RM0.063 per ordinary share for a total consideration of RM6,561,690.

39. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 January 2023.

ANALYSIS OF SHAREHOLDINGS
AS AT 13 JANUARY 2023

SHARE CAPITAL

Total Issued Shares	:	453,790,764 Shares (including 2,457,602 treasury shares held)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share on a poll
No. of Treasury Shares Held	:	2,457,602

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 13 JANUARY 2023

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	400	7.224	13,573	0.003
100 to 1,000	359	6.483	199,927	0.044
1,001 to 10,000	2,209	39.895	11,571,267	2.563
10,001 to 100,000	2,126	38.396	72,887,260	16.149
100,001 to less than 5% of issued shares	441	7.964	224,350,826	49.708
5% and above of issued shares	2	0.036	142,310,309	31.531
Total	**5,537**	**100.00**	**451,333,162**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 13 JANUARY 2023

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Lee Chun Szen	109,523	0.024	-	-
Lee Jin Jean	109,523	0.024	-	-
Lee Mey Ling	83,333	0.018	-	-
Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
Mejar (K) Datuk Wira Lee Wah Chong*	-	-	116,875,549	25.896
Thee Kok Chuan	-	-	-	-
Tan Sri Dato' Ir Hj Zaini Bin Omar	-	-	-	-

SUBSTANTIAL SHAREHOLDERS SHAREHOLDINGS AS AT 13 JANUARY 2023

	Direct Interest		Indirect Interest	
Name of Shareholders	No. of Shares	%	No. of Shares	%
LWC Capital Sdn Bhd	116,656,503	25.847	-	-
Star Heritage Development Sdn. Bhd.	25,653,806	5.684	-	-
Mejar (K) Datuk Wira Lee Wah Chong	-	-	116,875,549	25.896*
Lee Kok Choong	-	-	25,653,806	5.684**

Notes:-

* *Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd pursuant to section 8 of the Companies Act 2016 ("the Act") and the shareholding of his son and daughter pursuant to Section 59(11)(c) of the Act.*

** *Deemed interested by virtue of his shareholding in Star Heritage Development Sdn. Bhd. pursuant to section 8 of the Companies Act 2016 ("the Act")*

ANALYSIS OF SHAREHOLDINGS
AS AT 13 JANUARY 2023 (CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 13 JANUARY 2023

No.	Name of Shareholders	No. of Shares	%
1	LWC CAPITAL SDN BHD	116,656,503	25.847
2	STAR HERITAGE DEVELOPMENT SDN. BHD.	25,653,806	5.684
3	FOONG KAH HENG	15,000,000	3.323
4	KOPERASI BERSATU TENAGA MALAYSIA BERHAD	15,000,000	3.323
5	LOH TOH HEOH	10,000,000	2.215
6	NG WYMIN	10,000,000	2.215
7	LOW CHIT SIN	8,685,100	1.924
8	MICHELE HENG WEI LING	5,993,700	1.327
9	SIOW MEE FONG	4,952,066	1.097
10	YONG BUN FOU	4,559,000	1.010
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SEONG LIAM	2,711,111	0.600
12	LIM YING NA	2,697,666	0.597
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH (8090542)	2,026,566	0.449
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SEONG LIAM (7001349)	2,000,000	0.443
15	LEE KOK KIONG	1,846,666	0.409
16	WONG SIEW HOONG	1,800,000	0.398
17	STOCKUP HOLDINGS SDN BHD	1,777,777	0.393
18	TEE YUN HAN	1,733,333	0.384
19	LOW POH LING	1,715,000	0.379
20	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,574,565	0.348
21	WONG WAI LUM	1,533,333	0.339
22	WONG CHEE KHEONG	1,403,333	0.310
23	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KA ONG (MY4308)	1,399,999	0.310
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD HII HSING KIET	1,333,333	0.295
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH CHUN LONG	1,246,366	0.276
26	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD GAN SEONG LIAM	1,166,666	0.258
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE GIA CIAN @ CALLY	1,122,422	0.248
28	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHAU	1,111,422	0.246
29	TAN CHIN HUAT	1,100,000	0.243
30	YONG KWEK SIAN	1,083,333	0.240
	Total	**248,883,066**	**55.143**

ANALYSIS OF WARRANT B HOLDINGS
AS AT 13 JANUARY 2023

ANALYSIS BY SIZE OF WARRANT B HOLDINGS AS AT 13 JANUARY 2023

Size of Shareholdings	No. of Holders	%	No. of Warrant	%
Less than 100	175	17.156	4,197	0.015
100 to 1,000	185	18.137	90,395	0.332
1,001 to 10,000	404	39.607	1,308,696	4.806
10,001 to 100,000	219	21.470	6,854,926	25.178
100,001 to less than 5% of issued shares	34	3.333	9,007,183	33.083
5% and above of issued shares	3	0.294	9,960,367	36.584
Total	**1,020**	**100.00**	**27,225,764**	**100.00**

DIRECTORS' WARRANT B HOLDINGS AS AT 13 JANUARY 2023

	Direct		Indirect	
Name of Directors	No. of warrant	%	No. of warrant	%
1. Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
2. Lee Chun Szen	-	-	-	-
3. Lee Jin Jean	-	-	-	-
4. Lee Mei Ling	-	-	-	-
5. Mejer (K) Datuk Wira Lee Wah Chong*	-	-	6,759,796	24.828
6. Tan Sri Dato' IR HJ Zaini Bin Omar	-	-	-	-
7. Thee Kok Chuan	-	-	-	-

* *Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd pursuant to section 8 of the Companies Act 2016 ("the Act").*

SUBSTANTIAL WARRANT B HOLDERS' HOLDINGS AS AT 13 JANUARY 2023

	Direct		Indirect	
	No. of warrant	%	No. of warrant	%
1. LWC CAPITAL SDN BHD	6,759,796	24.828	-	-
2. CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	1,471,200	5.403	-	-
3. LIM KENG CHUAN	1,383,038	5.079	-	-

ANALYSIS OF WARRANT B HOLDINGS
AS AT 13 JANUARY 2023 (CONT'D)

LIST OF THIRTY 30 LARGEST WARRANT B HOLDERS AS AT 13 JANUARY 2023

No.	Name of Warrant holders	No. of Warrant	%
1	LWC CAPITAL SDN BHD	6,759,796	24.828
2	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	1,471,200	5.403
3	LIM KENG CHUAN	1,383,038	5.079
4	GAN SEONG LIAM	1,043,816	3.833
5	CHANG MUI LANG	662,040	2.431
6	GAN KENG MENG	631,255	2.318
7	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG YEW WENG (STA 2)	498,500	1.830
8	DOMINIC A/L CELESTINE FERNANDEZ	454,233	1.668
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HII HSING KIET (KKINABALU-CL)	445,133	1.634
10	LEE SIM NEE	367,800	1.350
11	QUEK PAW HEE	367,800	1.350
12	LIM KENG CHUAN	346,333	1.272
13	LIM SEOK KIM	342,054	1.256
14	MUHD ABD MUIZ AL-AMIN BIN MUHAMMAD FIRDAUS	327,400	1.202
15	CHENG KOK SIONG	291,260	1.069
16	NG LUNG HEAM @ NG LING KEAM	238,334	0.875
17	KOO KING TONG	231,714	0.851
18	SI BOON CHONG	220,680	0.810
19	TEE HOCK SENG	217,002	0.797
20	LOW CHOW SENG	203,466	0.747
21	KHOO KE CHONG	200,000	0.734
22	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG KOK SIONG (MQ0462)	183,900	0.675
23	ONG SEE PHENG	175,743	0.645
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD LIM FUI TENG	166,666	0.612
25	KWEOK TE TE	159,698	0.586
26	LOONG WEI HIN	157,206	0.577
27	DATUK TAY HOCK TIAM	154,071	0.565
28	EWE HONG KHOON	145,331	0.533
29	WONG YEN FAN	126,155	0.463
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KIM SHAI	121,006	0.444
	Total	**18,092,630**	**66.454**

ANALYSIS OF WARRANT C HOLDINGS
AS AT 13 JANUARY 2023

ANALYSIS BY SIZE OF WARRANT C HOLDINGS AS AT 13 JANUARY 2023

Size of Shareholdings	No. of Holders	%	No. of Warrant	%
Less than 100	76	7.149	1,612	0.001
100 to 1,000	77	7.243	46,007	0.053
1,001 to 10,000	475	44.684	2,045,088	2.356
10,001 to 100,000	342	32.173	10,215,078	11.769
100,001 to less than 5% of issued shares	90	8.466	40,629,390	46.811
5% and above of issued shares	3	0.282	33,857,302	39.008
Total	**1,063**	**100.00**	**86,794,477**	**100.00**

DIRECTORS' WARRANT C HOLDINGS AS AT 13 JANUARY 2023

	Direct		Indirect	
Name of Directors	No. of warrant	%	No. of warrant	%
1. Dato' Haji Ishak Bin Haji Mohamed	-	-	-	-
2. Lee Chun Szen	-	-	-	-
3. Lee Jin Jean	-	-	-	-
4. Lee Mei Ling	-	-	-	-
5. Mejer (K) Datuk Wira Lee Wah Chong*	-	-	23,093,434	26.607
6. Tan Sri Dato' IR HJ Zaini Bin Omar	-	-	-	-
7. Thee Kok Chuan	-	-	-	-

* *Deemed interested by virtue of his shareholding in LWC Capital Sdn Bhd pursuant to section 8 of the Companies Act 2016 ("the Act").*

SUBSTANTIAL WARRANT C HOLDERS' HOLDINGS AS AT 13 JANUARY 2023

	Direct		Indirect	
	No. of warrant	%	No. of warrant	%
1. LWC CAPITAL SDN BHD	23,093,434	26.607	-	-
2. LOW CHIT SIN	5,496,368	6.332	-	-
3. GV ASIA FUND LIMITED	5,267,500	6.608	-	-

ANALYSIS OF WARRANT C HOLDINGS
AS AT 13 JANUARY 2023 (CONT'D)

LIST OF THIRTY 30 LARGEST WARRANT C HOLDERS AS AT 13 JANUARY 2023

No.	Name of Warrant holders	No. of Warrant	%
1	LWC CAPITAL SDN BHD	23,093,434	26.607
2	GV ASIA FUND LIMITED	5,267,500	6.068
3	LOW CHIT SIN	4,829,700	5.564
4	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	2,259,166	2.602
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YONG SIANG	1,901,700	2.191
6	STAR HERITAGE DEVELOPMENT SDN. BHD.	1,555,888	1.792
7	CHENG KOK SIONG	1,554,166	1.790
8	VOON JYE WAH	1,296,300	1.493
9	SIOW MEE FONG	1,238,033	1.426
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD GAN SEONG LIAM	1,166,666	1.344
11	ONG BAN CHUAN	1,074,233	1.237
12	WONG WAI LUM	1,032,166	1.189
13	ANG YOOK CHU @ ANG YOKE FONG	1,000,000	1.152
14	LIM YING NA	1,000,000	1.152
15	MICHELE HENG WEI LING	999,800	1.151
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG BAN CHUAN (PENANG-CL)	901,166	1.038
17	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG KOK SIONG (MQ0462)	887,800	1.022
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SEONG LIAM (7001349)	833,333	0.960
19	GOH CHAI SENG	793,700	0.914
20	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM SOH WOON	744,733	0.858
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SEONG LIAM	677,777	0.780
22	LOW CHIT SIN	666,666	0.768
23	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VOON SZE LIN (M55045)	666,666	0.768
24	IFAST NOMINEES (TEMPATAN) SDN BHD VOON JYE YNG	666,666	0.768
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD HII HSING KIET	666,666	0.768
26	TAN FHEE CHIN	666,666	0.768
27	TAN JIUN LENG	654,766	0.754
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KA ONG (MY4308)	600,000	0.691
29	TEE YUN HAN	600,000	0.691
30	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HII HSING KIET (KKINABALU-CL)	583,366	0.672
	Total	**59,878,725**	**68.989**

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022

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. (DHSB)	An Intermediate office lot in a 9 storey shopping-cum-office block/ Office Unit	366	Freehold	44 years	34,860	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	271,925	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	308,067	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	221,481	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	234.238	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	212,563	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	223,601	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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	242,917	2002
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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	351,628	2003

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022

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	1,864	Leasehold for 99 years expiring on 23/5/2089	27 years	351,628	2003
28-1A, Jalan Sungai Chandong 9, Bandar Armada Putra, Pulau Indah, 42100 Pelabuhan Klang, Selangor (DHSB)	An intermediate office lot in a 4 storey shop/ Office Unit	644	Leasehold for 99 years expiring on 11/3/2095	20 years	39,375	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	29 years	854,953	2005
500, Jalan Ampang Utama 1/1, Taman Ampang Utama, 68000 Ampang, Selangor	Vacant land	Land area: 6,175	Leasehold for 99 years expiring on 2/2/2076	N/A	2,776,130	2010
499, Jalan 5, Taman Ampang Utama, 68000 Ampang, Selangor	Vacant land	Land area: 8,100	Leasehold for 99 years expiring on 25/1/2077	N/A	5,920,145	2010
C1-0419, Jalan Indah 15, Taman Bukit Indah, Nusajaya, Johor	An intermediate office lot in a 5 storey shop/ Office Unit	947	Freehold	11 years	311,837	2013
PT 834 Melaka Tengah, Kawasan Bandar XXX1X	Vacant Land	Land ares: 4,290	Leasehold for 99 years expiring on 29/6/2107	N/A	1,179,742	2011
PT 848 Melaka Tengah, Kawasan Bandar XXX1X	Vacant Land	Land ares: 5,216	Leasehold for 99 years expiring on 29/6/2107	N/A	2,249,963	2011
5A-2, Jalan Melaka Raya 14, Taman Melaka Raya, 75000 Melaka	Apartment Medium Cost	667	Leasehold for 99 years expiring on 7/7/2093	17 years	88,243	2015
6B-1, Jalan Melaka Raya 14, Taman Melaka Raya, 75000 Melaka	Apartment Medium Cost	674	Leasehold for 99 years expiring on 7/7/2093	17 years	92,597	2015

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022

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
13A-2, Jalan Melaka Raya 14, Taman Melaka Raya, 75000 Melaka	Apartment Medium Cost	667	Leasehold for 99 years expiring on 7/7/2093	17 years	86,494	2015
H.S (M) 3166, P.T No 8778, Mukim Cheng, District of Melaka Tengah, Melaka	Vacant Land	Land area: 83,593	Freehold	N/A	1,647,008	2016
Lot 19545, Mukim Cheng, District of Melaka Tengah, Melaka	Vacant Land	Land area : 359,836	Freehold	N/A	7,089,801	2016
G0-2, Grd Floor, The Imperial Heritage, Jalan Merdeka, 75000 Bandar Hilir, Melaka	An intermediate 2 storey shop lot	3,392	Leasehold for 99 years expiring on 29/6/2107	8 years	4,067,488.75	2019
G0-3, Grd Floor, The Imperial Heritage, Jalan Merdeka, 75000 Bandar Hilir, Melaka	An intermediate 2 storey shop lot	3,239	Leasehold for 99 years expiring on 29/6/2107	8 years	3,884,020.07	2019
G0-8, Grd Floor, The Imperial Heritage, Jalan Merdeka, 75000 Bandar Hilir, Melaka	An intermediate 2 storey shop lot	2,528	Leasehold for 99 years expiring on 29/6/2107	8 years	3,031,430.30	2019
167 Units Apartment Condotel, The Imperial Heritage, Jalan Merdeka, 75000 Bandar Hilir, Melaka	Apartment Condotel	71,298	Leasehold for 99 years expiring on 29/6/2107	8 years	58,199,049.11	2019

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Digistar Corporation Berhad will be held at Platinum Hall, Level 3, Imperial Heritage Hotel Melaka, No 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia, on Friday, 10 March 2023 at 10.00 a.m. to transact the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2022 together with the Directors' and Auditors' Report thereon. **(Refer to Explanatory Note 1)**

2. To approve the Directors' fees of RM150,000 payable for the period from 1 October 2022 until the conclusion of the next annual general meeting of the Company. **Ordinary Resolution 1**

3. To approve the Directors' benefits of up to RM18,000 payable for the period from 1 October 2022 until the conclusion of the next annual general meeting of the Company. **Ordinary Resolution 2**

4. To re-elect the following Directors who retire in accordance with Clause 100 of the Constitution of the Company:

   a) Mejar (K) Datuk Wira Lee Wah Chong **Ordinary Resolution 3**

   b) Thee Kok Chuan **Ordinary Resolution 4**

5. To re-appoint UHY as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS:

6. **RETENTION OF INDEPENDENT DIRECTOR OF THE COMPANY**

   "THAT approval be and is hereby given for Dato' Haji Ishak Bin Haji Mohamed who has served as an Senior Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to serve as an Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

   Ordinary Resolution 6
   (Refer to Explanatory Note 2)

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "THAT subject to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

   Ordinary Resolution 7
   (Refer to Explanatory Note 3)

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

8. **PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY**

"THAT, subject always to the Companies Act 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of all the relevant authorities (if any), the Company be and is hereby authorised, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

i) The maximum aggregate number of shares which may be purchased and held by the Company must not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time ("Proposed Share Buy-Back");

ii) The maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company's retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and

iii) The shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold or transfer on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and Listing Requirements from time to time.

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

(a) The conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;

(b) The expiration of the period within which the next AGM of the Company is required by law to be held; or

(c) The authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority. **Ordinary Resolution 8**
(Refer to Explanatory Note 4)

ANY OTHER BUSINESS:

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

Wong Youn Kim (MAICSA 7018778)
SSM Practising Certificate No. 201908000410
Company Secretary

Kuala Lumpur
Date: 31 January 2023

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

Notes:

1. For the purpose of determining a member who shall be entitled to attend and vote at the 20th Annual General Meeting ("AGM"), the Company shall be requesting the Record of Depositors as at 3 March 2023. Only a depositor whose name appears on the Record of Depositors as at 3 March 2023 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend 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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one 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.
5. Where a member or the authorised nominee or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur or alternatively, to submit the proxy form electronically via TIIH Online at https://tiih.online not less than twenty four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
7. If the appointer is a corporation, the Proxy Form shall be executed under its common seal or under the hand of its officer or attorney duly authorised. If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation. If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
   (a) at least (2) authorised office, of whom one shall be a director; or
   (b) any director and/or authorised officers in accordance with the laws of the country under your corporation is incorporated
8. If this proxy Form 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 this proxy Form 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 proxy Form.

Explanatory Notes

a) Explanatory Note 1

<u>To receive the Audited Financial Statements for the financial year ended 30 September 2022</u>

This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act"), the audited financial statements do not require a formal approval of the shareholders. Hence, this resolution will not be put forward for voting.

b) E**xplanatory Note 2**

<u>Proposed Retention of Senior Independent Non-Executive Director</u>

The Nomination Committee has assessed the independence of Dato' Haji Ishak Bin Haji Mohamed who have served as Senior Independent Non-Executive Director of the Company for a term of twelve (12) years and recommended him to continue to act as Senior Independent Non-Executive Director of the Company on the following justifications:

i. Dato' Haji Ishak Bin Haji Mohamed fulfilled the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Malaysia Securities Berhad and they would be able to provide proper check and balance thus bringing an element of objectivity to the Board;

ii. Their length of services on the Board of twelve (12) years do not in any way interfere with their exercise of objective judgement or their ability to act in the best interest of the Company and the Group. In fact, they are familiar with the Group's business operations and have always actively participated in Board and Board Committee discussions and have continuously provided an independent view to the Board; and

iii. They have exercised due care during their tenures as Independent Director of the Company and have discharged their duties with reasonable skill and competence, bringing independent judgement into the decision making of the Board and in the best interest of the Company and its shareholders.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

c) **Explanatory Note 3**

Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 7 is proposed to seek a renewal of general mandate for authority to issue shares pursuant to Sections 75 and 76 of the Act. If the resolution was passed, it will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares 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 AGM.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general authority which was approved at the 19th Annual General Meeting held on 11 March 2022 and which will lapse at the conclusion of the 20th Annual General Meeting to be held on 10 March 2023.

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.

Clause 54 of the Company's Constitution provides that, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.

d) **Explanatory Note 4**

Proposed Renewal of Authority to purchase its own shares of up to 10% of the total number of issued shares in the Company

The proposed Ordinary Resolution 8 is to empower the Directors to buy-back and/or hold up to a maximum of 10% of the total number of the Company's issued shares at any point of time, by utilizing the amount allocated which shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available, subject to the Act, listing Requirements, 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 AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the Share Buy-back Statement as set out in the Annual Report of the Company for further information.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

1. The Directors seeking for re-election/re-appointment at the Twentieth Annual General Meeting of Digistar Corporation Berhad are as follows:

   (a) Mejar (K) Datuk Wira Lee Wah Chong

   (b) Mr. Thee Kok Chuan

2. Retention of Senior Independent Non-Executive Director as follow:

   a) Dato' Haji Ishak Bin Haji Mohamed

   The Profile of the Directors seeking for re-election and retention are set out on Page No. 4 and 5 of this Annual Report

   The details of the Directors' interest in the securities of the Company are stated on Page No. 178 of this Annual Report

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 30 September 2022 are disclosed in the respective profiles of the Directors.

4. The details of the Twentieth Annual General Meeting are as follows:

Date of Meeting	**Time of Meeting**	**Place of Meeting**
Friday, 10 March 2023	10 a.m.	Platinum Hall, Level 3, Imperial Heritage Hotel Melaka, No 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia

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FORM OF PROXY

DIGISTAR CORPORATION BERHAD
Registration No.200301001232 (603652-K)
(INCORPORATED IN MALAYSIA)

CDS Account No.	
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 Twentieth Annual General Meeting of the Company to be held at Platinum Hall, Level 3, Imperial Heritage Hotel Melaka, No 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia, on Friday, 10 March 2023 at 10.00 a.m. or any adjournment thereof.

*My/our proxy is to vote as indicated below:

ORDINARY RESOLUTION		**FOR**	**AGAINST**
1.	To approve the Directors' Fees of RM150,000 payable for the period from 1 October 2022 until the conclusion of the next Annual General Meeting of the Company		
2.	To approve the of Directors' benefits of up to RM18,000 payable for the period from 1 October 2022 until the conclusion of the next Annual General Meeting of the Company		
3.	To Re-election of Mejar (K) Datuk Wira Lee Wah Chong		
4.	To Re-election of Mr. Thee Kok Chuan		
5.	To re-appoint UHY as auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Retention of Senior Independent Non-Executive Director - Dato' Haji Ishak Bin Haji Mohamed		
7.	Authority to issue Shares pursuant to sections 75 and 76 of the companies act 2016		
8.	Proposed Renewal of Authority for Share Buy-Back		

(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

Signed this ________ day of ________________ 2023

____
Signature/Common Seal of Member

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

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		

Notes:
1. For the purpose of determining a member who shall be entitled to attend and vote at the 20th Annual General Meeting ("AGM"), the Company shall be requesting the Record of Depositors as at 3 March 2023. Only a depositor whose name appears on the Record of Depositors as at 3 March 2023 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend 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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one 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.

5. Where a member or the authorised nominee or an exempt authorised nominee appoints two (2) or more proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notariaily certified copy of that power or authority shall be deposited at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur or alternatively, to submit the proxy form electronically via TIIH Online at https:tiih.online not less than twenty four (24) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
7. If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation. If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
   (a) at least (2) authorised officers, of whom one shall be a director; or
   (b) any director and/or authorized officers in accordance with the laws of the country under which your corporation is incorporated.
8. If this Proxy Form 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 this Proxy Form 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 Proxy Form.

Affix Stamp

DIGISTAR CORPORATION BERHAD

COMPANY SECRETARY
ACCLIME CORPORATE SERVICES SDN BHD
Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City
59200 Kuala Lumpur

DIGISTAR CORPORATION BERHAD
200301001232 (603652-K)

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