

DIGISTAR CORPORATION BERHAD
 Registration No. 200301001232 (603652-K)
 (Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 19TH ANNUAL GENERAL MEETING
 (“AGM”) HELD ON FRIDAY, 11 MARCH 2022**

Present : As per Attendance List

Chairman : Tan Sri Dato’ Ir. Hj. Zaini Bin Omar

In Attendance : Wong Youn Kim - Company Secretary

By Invitation : As per Attendance List

At the 19th AGM, the shareholder raised the following questions on the business and operations of the Group which were duly responded by the Management:-

NO.	QUESTIONS	THE COMPANY’S RESPONSES
1.(a)	The Group’s business activities involve construction, property development, central monitoring system (CMS) and hotel management, which of the Group’s business activities will drive revenue growth and bring the Group back to profitability	Hotel management as the Malaysia border will be re-opened to the world soon and the management believed the tourism sector in Melaka will be returned to pre-covid period.
2.(a)	What is the current average occupancy rate and average room rate of the Imperial Heritage Hotel as compared to FY2021?	The average occupancy rate and average room rate for FY2022 is 45% and RM177 respectively. The average occupancy rate and average room rate for FY2021 is 27% and RM87 respectively.
2.(b)	Please briefly elaborate the Group’s international plans for the Heritage brand. Which are the countries that the Group targets to expand to?	Asian Countries
3.(a)	What are these trade receivables and other receivables that have been impaired? Are these trade receivables and other receivable due from third parties or related parties?	These are trade and other receivables from the System Integration, CMS and Property sectors. They are due from third parties.
3.(b)	What was the reason for the substantial increase in impairment on other receivables?	According to the accounting standards, MFRS9, Financial Instruments: Recognition and Measurement, requires to review and impair debts owing for more than credit term. The management has reviewed and to be prudent have impaired other receivables for amount outstanding for more than a year.

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3.(c)	What is the probability of recovering the impaired amounts? To-date, how much of the impairment on trade receivables and other receivables have been recovered?	Yet to recover due to MCO. We are following up. Impairment will be reversed when amount collected subsequently.
4. (a)	What was the reason for the huge increase in bad debts written off?	The debtors have suffered from cash flow issue during the pandemic.
4. (b)	What comprises the other receivables that have been written off?	Unrecoverable deposits and dissolved debtors.
4. (c)	What were the measures taken to recover the RM1.8 million prior to being written-off?	We have sent several reminder letters and calls to our debtors and engaged our lawyer to issue the letters of demand to them. Noted some of the companies already declared bankrupt.
5.	Inventories written off amounted to RM0.6 million (2020: Nil) (page 64 of AR2021). What comprises the inventories that have been written off?	Obsolete components and parts from the system integration sector.
6.	What are the challenges faced by the Audit and Risk Management Committee in formalising the policies and procedures to assess the suitability, objectivity and independence of the external auditor?	Currently, the Company does not have a formal policies and procedure to assess the suitability, objectivity and independence of the External Auditor. Notwithstanding that, the Audit and Risk Management Committee (“ARMC”) assessed the suitability, objectivity and independence of the External Auditor during the meeting with the presence of the Auditor by making relevant enquiries in that respect before recommending the re-appointment of the External Auditor. The ARMC met with the External Auditor twice, in the absence of the management for a private session for the financial year ended 30 September 2021. The ARMC also reviewed and monitored the fee of the total non-audit work carried out by the auditor to ensure there was no impairment to independence and objectivity. The ARMC and the Board are satisfied with the performance, competence and independence of the External Auditor and the Board had recommended their re-appointment, for the shareholders’ approval at the forthcoming Annual General Meeting.