

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE IS FOR THE INFORMATION OF THE HOLDERS OF WARRANTS 2013/2023 IN DIGISTAR CORPORATION BERHAD ("DIGISTAR") ("WARRANT(S) B") ONLY ("NOTICE"). NO ACTION IS REQUIRED TO BE TAKEN IN RESPECT OF THIS NOTICE.

If you have sold or transferred all your Warrants B, you should at once hand this Notice to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, respectively.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Notice prior to its issuance pursuant to Paragraph 2.1(a) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities and takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or due to your reliance upon, the whole or any part of the contents of this Notice.



DIGISTAR CORPORATION BERHAD

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

NOTICE TO HOLDERS OF THE WARRANTS B

IN RELATION TO THE

ADJUSTMENTS TO THE EXERCISE PRICE AND THE NUMBER OF THE OUTSTANDING WARRANTS B IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL DATED 4 MARCH 2013 PURSUANT TO THE CONSOLIDATION OF EVERY 3 EXISTING ORDINARY SHARES IN DIGISTAR ("DIGISTAR SHARE(S)" OR "SHARE(S)") INTO 1 DIGISTAR SHARE

Prepared by

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Notice is dated 31 May 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Notice:-

“Adjustments”	: Adjustments to the Exercise Price and the number of Warrants B made in accordance with the provisions of the Deed Poll B as a result of the Share Consolidation
“Board”	: Board of Directors of Digistar
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Capital Reduction”	: The reduction of the issued share capital of Digistar pursuant to Section 116 of the Companies Act 2016
“Consolidated Share(s)”	: Digistar Shares following the completion of the Share Consolidation
“Consolidated Warrant(s) B”	: Warrants B following the completion of the Share Consolidation
“Deed Poll B”	: The deed poll dated 4 March 2013 constituting the Warrants B
“Digistar” or the “Company”	: Digistar Corporation Berhad (Registration No. 200301001232 (603652-K))
“Digistar Group” or the “Group”	: Digistar and its subsidiary companies, collectively
“Digistar Share(s)” or “Share(s)”	: Ordinary share(s) in Digistar
“Director(s)”	: The director(s) of Digistar having the meaning given in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting of the Company held at Level 3, Imperial Heritage Hotel Melaka, No 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka on Thursday, 28 April 2022 at 10.00 a.m. in relation to the Share Consolidation and Capital Reduction
“Entitled Shareholder(s)”	: The shareholders of Digistar whose names appear in the Company’s Record of Depositors on the Entitlement Date
“Entitled Warrant B Holder(s)”	: The Warrant B Holders of Digistar whose names appear in the Company’s Record of Depositors for the Warrants B on the Entitlement Date
“Entitlement Date”	: Monday, 30 May 2022 at 5.00 p.m., being the date and time on which the Entitled Shareholders and Entitled Warrant B Holders of the Company must be registered in Digistar’s Record of Depositors in order to be entitled to participate in the Share Consolidation and Adjustments, respectively
“Exercise Price”	: RM0.25, being the price at which 1 Warrant B is exercisable into 1 Digistar Share, subject to such adjustments as may be allowed under the Deed Poll B

DEFINITIONS (CONT'D)

“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, as amended and modified from time to time
“Market Day(s)”	: Any day(s) between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading in securities
“Notice”	: This notice to Warrant B Holders dated 31 May 2022
“Record of Depositors”	: A record depositors established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories Act 1991, as amended from time to time)
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Share Consolidation”	: The consolidation of every 3 existing Digistar Shares held by the shareholders of Digistar on the Entitlement Date into 1 Consolidated Share
“UHY” or the “Auditor”	: UHY (Registration No. AF 1411), the auditor of the Company for the financial year ended 30 September 2021
“UOBKH” or the “Adviser”	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“Warrant(s) B”	: The outstanding Warrants 2013/2023 issued by the Company pursuant to the Deed Poll B and expiring on 4 April 2023
“Warrant B Holder(s)”	: Holder(s) of the Warrants B

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Notice to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Notice shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the amounts and percentage figures included herein have been subjected to rounding adjustments.

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LETTER TO THE ENTITLED WARRANT B HOLDERS OF DIGISTAR IN RELATION TO THE ADJUSTMENTS CONTAINING:-

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DIGISTAR CORPORATION BERHAD

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

Registered Office

Level 2, Tower 1
Avenue 5, Bangsar South City
59200, Kuala Lumpur

31 May 2022

Board of Directors

Tan Sri Dato' Ir. Hj. Zaini Bin Omar	<i>(Independent Non-Executive Chairman)</i>
Mejar (K) Datuk Wira Lee Wah Chong	<i>(Group Managing Director)</i>
Dato' Haji Ishak Bin Haji Mohamed	<i>(Senior Independent Non-Executive Director)</i>
Thee Kok Chuan	<i>(Independent Non-Executive Director)</i>
Lee Mey Ling	<i>(Executive Director)</i>
Lee Jin Jean	<i>(Executive Director)</i>
Lee Chun Szen	<i>(Executive Director)</i>

To: The Entitled Warrant B Holders

Dear Sir/Madam,

ADJUSTMENTS TO THE EXERCISE PRICE AND THE NUMBER OF THE OUTSTANDING WARRANTS B IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL B PURSUANT TO THE SHARE CONSOLIDATION

1. INTRODUCTION

On 28 February 2022, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the Share Consolidation and the Capital Reduction.

Subsequently, on 25 March 2022, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 24 March 2022, resolved to approve the Share Consolidation.

On 28 April 2022, our shareholders had approved the Share Consolidation and Capital Reduction at our EGM.

On 13 May 2022, UOBKH had, on behalf of our Board, announced that the Entitlement Date for the Share Consolidation had been fixed at 5.00 p.m. on Monday, 30 May 2022.

THE PURPOSE OF THIS NOTICE IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE ADJUSTMENTS. NO ACTION IS REQUIRED TO BE TAKEN BY YOU IN RESPECT OF THIS NOTICE.

2. RATIONALE FOR THE ADJUSTMENTS

Pursuant to the provisions of the Deed Poll B, the Exercise Price and number of the outstanding Warrants B will be adjusted if and whenever a Share is consolidated. In this regard, the Adjustments were made in order to ensure that the status of Warrant B Holders would not be prejudiced after the implementation of the Share Consolidation.

Further, the Adjustments were made in accordance with the provisions of the Schedule 4 of the Deed Poll B and in consultation with UOBKH.

Save for the adjustments to the Exercise Price and the number of the outstanding Warrants B, the rights and obligations of the Warrant B Holders will remain unchanged.

3. DETAILS OF THE ADJUSTMENTS

As at the Entitlement Date, there are 81,678,141 outstanding Warrants B in issue with the Exercise Price of RM0.25 per Warrant B.

3.1 Adjustments pursuant to the Share Consolidation

Given that the Company is undertaking the Share Consolidation, Digistar is hence required to comply with Paragraph (a) of Schedule 4 of the Deed Poll B, the extract of which are set out below:-

If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, then the Exercise Price and/or the additional number of Warrants B to be issued shall be adjusted, calculated or determined in the following manner:-

$$\begin{aligned} \text{(a) New exercise price of Warrants B} &= S \times \frac{\text{(Revised nominal value of each Share)}}{\text{(Original nominal value of each Share)}} \\ \text{(b) Additional number of Warrants B to be issued} &= T \times \frac{\text{(Original nominal value of each Share)}}{\text{(Revised nominal value of each Share)}} - T \end{aligned}$$

where:-

S : Existing exercise price, i.e. RM0.25 per Warrant B

T : Existing number of Warrants B held, i.e. 81,678,141

Pursuant thereto, the Adjustments arising from the Share Consolidation are set out as follows:-

$$\begin{aligned} \text{New exercise price of Warrants B} &= \text{RM0.25} \times \frac{\text{RM0.15}}{\text{RM0.05}} \\ &= \text{RM0.75} \end{aligned}$$

$$\begin{aligned} \text{Additional number of Warrants B to be issued} &= 81,678,141 \times \frac{\text{RM0.05}}{\text{RM0.15}} - 81,678,141 \\ &= \text{(54,452,094)*} \end{aligned}$$

$$\begin{aligned} \text{Adjusted number of Warrants B} &= 81,678,141 + (-54,452,094) \\ &= \text{27,226,047}^\text{@} \end{aligned}$$

Notes:-

* No additional Warrants B will be issued pursuant to the Share Consolidation.

@ The fractional entitlements arising from the Adjustments were disregarded and hence, the actual adjusted number of outstanding Warrants B pursuant to the Adjustments is 27,225,764.

3.2 Summary of the Adjustments

The summary of the Adjustments to the Exercise Price and number of outstanding Warrants B pursuant to the Share Consolidation are as follows:-

(i) Exercise Price of the outstanding Warrants B prior to the Adjustments	Exercise price of the outstanding Warrants B after the Adjustments
RM0.25	RM0.75
(ii) No. of the outstanding Warrants B prior to the Adjustments	No. of the outstanding Warrants B after the Adjustments
81,678,141	27,226,047 [@]

Note:-

[@] *The fractional entitlements arising from the Adjustments were disregarded and hence, the actual adjusted number of outstanding Warrants B pursuant to the Adjustments is 27,225,764.*

The Adjustments were made by the Board in consultation with UOBKH and certified by the auditors, UHY, in accordance with the provisions of the Deed Poll B.

4. EFFECTIVE DATE OF THE ADJUSTMENTS

In accordance with the Paragraph (a) of Schedule 4 of the Deed Poll B, the Adjustments took effect from 5.00 p.m. on Monday, 30 May 2022, being the Entitlement Date.

5. CONSENTS

UOBKH and UYH have given and have not subsequently withdrawn their written consents to the inclusion of their names in this Notice and all references thereto in the form and context in which they appear in this Notice.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

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7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Notice up to and including the earlier of the date on which the last Warrant B is exercised or 4 April 2023, being the Market Day immediately preceding the date falling 10 years from the issue date of the Warrants B:-

- (i) the Deed Poll B;
- (ii) the certificate from the Board dated 27 May 2022 setting forth the brief particulars of the events giving rise to the Adjustments, together with the relevant computation and effective date of the Adjustments;
- (iii) certificate from UHY, dated 24 May 2022 certifying the Adjustments; and
- (iv) the letters of consent referred to in **Section 5** of this Notice.

Yours faithfully,
For and on behalf of the Board of
DIGISTAR CORPORATION BERHAD

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