

THIS CIRCULAR TO SHAREHOLDERS OF DIGISTAR CORPORATION BERHAD (“DIGISTAR” OR THE “COMPANY”) (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) takes no responsibility for the contents of this Circular, 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 Circular.



DIGISTAR CORPORATION BERHAD

(Registration No.: 200301001232 (603652-K))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED PRIVATE PLACEMENT OF UP TO 30% OF THE TOTAL NUMBER OF
ISSUED SHARES OF DIGISTAR**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOBKayHian

UOB KAY HIAN (M) SDN BHD

(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)

(Registration No.: 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of Digistar to be held at Level 1, Imperial Heritage Hotel Melaka, No. 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia on Tuesday, 17 March 2026 at 12.00 p.m., or immediately following the conclusion or adjournment of the Twenty-Third Annual General Meeting (“**23rd AGM**”) of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, together with the accompanying Proxy Form are enclosed herein.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. In such event, the Proxy Form must be deposited at the registered office of our Company at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time stipulated for holding the EGM as indicated below. The lodging of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for you to lodge the Proxy Form : Monday, 16 March 2026 at 12.00 p.m.

Day, date and time of the EGM : Tuesday, 17 March 2026 at 12.00 p.m., or immediately following the conclusion of the 23rd AGM of the Company which will be held on the same day at 10.00 a.m., whichever is later

This Circular is dated 27 February 2026

DEFINITIONS

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

“Act”	:	The Companies Act 2016
“AI”	:	Artificial intelligence
“Board”	:	Our Board of Directors
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
“Circular”	:	This circular to the shareholders of Digistar dated 27 February 2026 in relation to the Proposed Private Placement
“Deed Poll C”	:	The deed poll dated 16 April 2021 constituting the Warrants C
“Deed Poll D”	:	The deed poll dated 16 June 2023 constituting the Warrants D
“Digistar” or our “Company”	:	Digistar Corporation Berhad (Registration No.: 200301001232 (603652-K))
“Digistar Group” or our “Group”	:	Digistar and our subsidiaries, collectively
“Digistar Share(s)” or “Share(s)”	:	Ordinary share(s) in Digistar
“Director(s)”	:	The director(s) of Digistar and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	:	Extraordinary general meeting of our Company
“EPS”	:	Earnings per Share
“FYE”	:	Financial year ended/ending
“LAT”	:	Loss after tax
“LBT”	:	Loss before tax
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	30 January 2026, being the latest practicable date prior to the printing and despatch of this Circular
“LWC Capital”	:	LWC Capital Sdn Bhd (Registration No.: 200301011031 (613451-X))
“Management”	:	Management of our Company
“Maximum Scenario”	:	Assuming all treasury shares are resold to the open market, none of the outstanding Warrants C are exercised prior to the implementation of the Proposed Private Placement, and all the outstanding Warrants D are exercised prior to the implementation of the Proposed Private Placement
“Minimum Scenario”	:	Assuming all treasury shares are retained, and none of the outstanding Warrants C and Warrants D are exercised prior to the implementation of the Proposed Private Placement
“NA”	:	Net assets

DEFINITIONS (CONT'D)

“PBT”	:	Profit before tax
“Placement Share(s)”	:	Up to 212,753,290 new Digistar Shares to be issued pursuant to the Proposed Private Placement
“Private Placement 2024”	:	Private placement of 78,700,000 and 63,855,053 new Digistar Shares at the issue prices of RM0.0406 and RM0.0427 per new Digistar Share, respectively, raising total gross proceeds of approximately RM5.92 million. The Private Placement 2024 was completed on 17 January 2025
“Proposed Private Placement”	:	Proposed private placement of up to 212,753,290 Placement Shares, representing up to 30% of the total number of issued Digistar Shares at an issue price to be determined and announced at a later date after receipt of all relevant approvals for the Proposed Private Placement
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“UOBKH” or the “Principal Adviser”	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
“VWAP”	:	Volume weighted average market price
“Warrant(s) C”	:	The outstanding warrant(s) 2021/2026 issued by our Company pursuant to the Deed Poll C and expiring on 27 May 2026
“Warrant(s) D”	:	The outstanding warrant(s) 2023/2028 issued by our Company pursuant to the Deed Poll D and expiring on 5 July 2028

All references to “we”, “us”, “our” and “ourselves” are to Digistar or Digistar Group. All references to “you” in this Circular are to the shareholders of Digistar.

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 Circular 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 Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, the actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

This Executive Summary highlights the salient information of the Proposed Private Placement. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Private Placement before voting at the forthcoming EGM.

Key information	Description	Reference to Circular																								
Summary of the Proposed Private Placement	The Proposed Private Placement entails the issuance of up to 212,753,290 Placement Shares, representing up to approximately 30% of our Company's total number of issued Shares to be placed to LWC Capital and third-party investor(s) to be identified in the manner set out in Section 2.2 of this Circular.	Section 2																								
Utilisation of proceeds	<p>Based on the Minimum Scenario and Maximum Scenario, the gross proceeds to be raised from the Proposed Private Placement are expected to be utilised by our Group in the following manner:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Details of utilisation</th> <th colspan="2">Minimum Scenario</th> <th colspan="2">Maximum Scenario</th> </tr> <tr> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>(i) Business expansion on the provision of internet television services segment</td> <td>7,162</td> <td>97.55</td> <td>8,117</td> <td>97.83</td> </tr> <tr> <td>(ii) Estimated expenses for the Proposed Private Placement</td> <td>180</td> <td>2.45</td> <td>180</td> <td>2.17</td> </tr> <tr> <td>Total</td> <td>7,342</td> <td>100.00</td> <td>8,297</td> <td>100.00</td> </tr> </tbody> </table>	Details of utilisation	Minimum Scenario		Maximum Scenario		RM'000	%	RM'000	%	(i) Business expansion on the provision of internet television services segment	7,162	97.55	8,117	97.83	(ii) Estimated expenses for the Proposed Private Placement	180	2.45	180	2.17	Total	7,342	100.00	8,297	100.00	Section 2.6
Details of utilisation	Minimum Scenario		Maximum Scenario																							
	RM'000	%	RM'000	%																						
(i) Business expansion on the provision of internet television services segment	7,162	97.55	8,117	97.83																						
(ii) Estimated expenses for the Proposed Private Placement	180	2.45	180	2.17																						
Total	7,342	100.00	8,297	100.00																						
Rationale for the Proposed Private Placement	<p>The Proposed Private Placement will enable our Group to raise additional funds primarily for the business expansion of Panorama TV, further details of which are as set out in Section 2.6 of this Circular.</p> <p>Further, the allocation of the Placement Shares to LWC Capital (being our major shareholder and the investment holding vehicle of our Group Managing Director and Executive Directors, namely, Datuk Wira Lee Wah Chong, Lee Jin Jean, Lee Chun Szen and Lee Mey Ling) pursuant to the Proposed Private Placement demonstrates the commitment of our Directors and major shareholder in supporting our business expansion plans, in particular, the Panorama TV business. This aligns their interest with that of our shareholders and reflects their continued confidence in our growth prospects, which is expected to have a positive effect on market perception and may encourage participation from other potential investors in the Proposed Private Placement.</p>	Section 3																								
Approvals required/obtained and conditionality	<p>The Proposed Private Placement is subject to and conditional upon the following approvals being obtained:-</p> <p>(i) Bursa Securities for the listing of and quotation for up to 212,753,290 Placement Shares on the Main Market of Bursa Securities. The approval of Bursa Securities was obtained vide its letter dated 23 February 2026 and is subject to the conditions set out in Section 12 of this Circular; and</p> <p>(ii) our shareholders for the Proposed Private Placement and the proposed allocation of up to 70,917,763 Placement Shares to LWC Capital at the forthcoming EGM.</p>	Section 12																								

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Interest of Directors, major shareholders, chief executive and/or persons connected with them	<p>Save for the Interested Parties (as defined in Section 14 of this Circular and disclosed below), none of the Directors, major shareholders, chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Private Placement. The Interested Parties are as follows:-</p> <ul style="list-style-type: none">(i) LWC Capital, our major shareholder;(ii) Datuk Wira Lee Wah Chong, our Group Managing Director and major shareholder;(iii) Lee Jin Jean, our Executive Director and shareholder;(iv) Lee Chun Szen, our Executive Director and shareholder; and(v) Lee Mey Ling, our Executive Director and shareholder.	Section 14
Directors' statement/ recommendation	<p>Our Board (save for the Interested Directors (as defined in Section 14 of this Circular)), having considered all aspects of the Proposed Private Placement, including but not limited to the rationale and justification as well as the financial effects of the Proposed Private Placement as set out in Section 3 and Section 5 of this Circular respectively, is of the opinion that the Proposed Private Placement is in the best interest of our Company.</p> <p>Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.</p>	Section 15

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DIGISTAR CORPORATION BERHAD

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

Registered office

Unit 11.07, Amcorp Tower
Amcorp Trade Centre
18, Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan

27 February 2026

Board of Directors

Dato' Sri Zohari Bin Akob	<i>(Independent Non-Executive Chairman)</i>
Datuk Wira Lee Wah Chong	<i>(Group Managing Director)</i>
Dato' Haji Ishak Bin Haji Mohamed	<i>(Non-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 shareholders of Digistar

Dear Sir/Madam,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On 19 January 2026, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Private Placement.

The Proposed Private Placement is in line with our ongoing business strategies to enhance our earnings as well as to steer our Group towards financial stability. Accordingly, the proceeds to be raised from the Proposed Private Placement will be primarily allocated to fund and support the business expansion plans for our internet television services platform. Please refer to **Section 2.6** of this Circular for further details on the utilisation of proceeds for the Proposed Private Placement. For information purposes, our Company had previously undertaken various fund-raising exercises since 2016, collectively raising approximately RM42.83 million in proceeds with the aim to support the operational growth as well as to strengthen the capital base and lower the gearing ratio of our Group. The proceeds raised from these fund-raising exercises have been fully utilised. Please refer to **Section 2.7** and **Appendix I** of this Circular for further details of the said fund-raising activities.

Subsequently, on 23 February 2026, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated on even date, approved the listing of and quotation for up to 212,753,290 Placement Shares to be issued under the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 12** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED PRIVATE PLACEMENT AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Placement size

The Proposed Private Placement entails the issuance of up to 212,753,290 Placement Shares, representing up to approximately 30% of our Company's total number of issued Shares to be placed to LWC Capital and third-party investor(s) to be identified in the manner set out in **Section 2.2** below.

The maximum number of up to 212,753,290 Placement Shares under the Proposed Private Placement was arrived at based on the following:-

- (i) our Company's total number of issued Shares of 629,939,268 (including 2,457,602 treasury shares) as at the LPD;
- (ii) assuming 2,457,602 treasury shares held by our Company as at the LPD are resold to the open market;
- (iii) assuming none of the 86,794,477 outstanding Warrants C are exercised prior to the implementation of the Proposed Private Placement; and
- (iv) assuming all the 79,238,368 outstanding Warrants D are exercised prior to the implementation of the Proposed Private Placement.

Our Board is of the view that the outstanding Warrants C are not likely to be exercised prior to the implementation of the Proposed Private Placement in view that the Warrants C are currently "out-of-the-money" with an exercise price of RM0.30 per Warrant C whilst the 5-day VWAP of Digistar Shares up to and including the LPD is RM0.0426 per Digistar Share.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement would depend on the total number of issued Shares of our Company on a date to be determined and announced later.

2.2 Placement arrangement

We intend to allocate the Placement Shares to the following places in the following manner:-

Places	Minimum Scenario		Maximum Scenario	
	No. of Placement Shares	%	No. of Placement Shares	%
(i) LWC Capital ⁽¹⁾	62,748,166	33.33	70,917,763	33.33
(ii) Third-party investor(s) ⁽²⁾	125,496,333	66.67	141,835,527	66.67
Total	188,244,499	100.00	212,753,290	100.00

Notes:-

- (1) LWC Capital is a major shareholder of our Company and the details of its shareholdings in Digistar as at the LPD is set out as follows:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
LWC Capital	174,111,556	27.75	-	-

For information purposes, LWC Capital is a private limited company incorporated in Malaysia on 28 April 2003 under the Companies Act 1965 and is deemed incorporated under the Act, having its registered office at Block H-2-11, Plaza Damas, 60, Jalan Sri Hartamas 1, Sri Hartamas, 50480 Kuala Lumpur. LWC Capital is principally involved in investment holding. LWC Capital has an issued share capital of RM100,000 comprising 100,000 shares as at the LPD. The directors and shareholders of LWC Capital and their respective shareholdings in LWC Capital as at the LPD are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Directors and shareholders</u>				
Datuk Wira Lee Wah Chong	73,523	73.52	[^] 26,477	26.48
Lee Jin Jean	13,238	13.24	-	-
<u>Director</u>				
Lee Mey Ling	-	-	-	-
<u>Shareholder</u>				
Lee Chun Szen	13,239	13.24	-	-

Note:-

- [^] Deemed interested by virtue of the shareholdings of his son, Lee Chun Szen and daughter, Lee Jin Jean in LWC Capital pursuant to the Act.

LWC Capital had, via its undertaking letter dated 16 January 2026 (“**Undertaking Letter**”), irrevocably and unconditionally undertaken and confirmed to Digistar of its intention to subscribe for up to 70,917,763 Placement Shares (representing up to approximately 7.69% of our enlarged issued share capital after the implementation of the Proposed Private Placement under the Maximum Scenario). Accordingly, LWC Capital has also confirmed on even date that it has sufficient financial resources to subscribe for its portion of the Placement Shares in full. UOBKH, being the Principal Adviser for the Proposed Private Placement, has verified and confirmed that LWC Capital has sufficient financial resources to subscribe for its portion of the Placement Shares in full. The actual number of Placement Shares to be subscribed by LWC Capital will be determined by our Management and fixed at a later date after obtaining the relevant approvals for the Proposed Private Placement and subject to a book-building process for up to 212,753,290 Placement Shares (including up to 70,917,763 Placement Shares to be issued to LWC Capital) to gauge the level of market demand for the Placement Shares.

The subscription of up to 70,917,763 Placement Shares by LWC Capital will not give rise to any mandatory take-over offer obligation pursuant to the Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia assuming that the Placement Shares are fully placed out to LWC Capital and third-party investor(s) to be identified later. However, in the event that the Placement Shares are not fully placed out, LWC Capital had, vide the Undertaking Letter, irrevocably and unconditionally undertaken that it will subscribe for a lower number of Placement Shares such that the shareholdings of LWC Capital (together with the persons acting in concert with the company) in Digistar will not exceed 33.00% and that LWC Capital’s obligation to undertake a mandatory take-over offer for the remaining Digistar Shares not already held by the company will not be triggered pursuant to the Proposed Private Placement.

For illustration purposes only, assuming the Placement Shares are successfully placed solely to LWC Capital, the maximum number of Shares available for subscription by LWC Capital under the Minimum Scenario and Maximum Scenario are set out below based on the premise that the aggregate shareholdings of LWC Capital (together with the persons acting in concert with the company) in Digistar does not exceed 33.00% after the Proposed Private Placement:-

	Minimum Scenario		Maximum Scenario	
	No. of Placement Shares	(a)%	No. of Placement Shares	(b)%
LWC Capital	33,382,372	17.73	66,921,052	31.45

Notes:-

- (a) Based on the total number of Placement Shares of 188,244,499 Shares under the Minimum Scenario.
- (b) Based on the total number of Placement Shares of 212,753,290 Shares under the Maximum Scenario.

Based on the assumption illustrated above, the pro forma shareholdings of LWC Capital and persons acting in concert with the company (namely, Datuk Wira Lee Wah Chong, Lee Jin Jean, Lee Chun Szen and Lee Mey Ling) after the Proposed Private Placement under the Minimum Scenario and Maximum Scenario are as follows:-

Minimum Scenario

	Direct		Indirect	
	No. of Shares	(a)%	No. of Shares	(a)%
LWC Capital	^(b) 207,493,928	31.40	-	-
Datuk Wira Lee Wah Chong	7,059,600	1.07	^(c) 207,712,974	31.43
Lee Jin Jean	109,523	0.02	-	-
Lee Chun Szen	109,523	0.02	-	-
Lee Mey Ling	83,333	0.01	-	-

Notes:-

- (a) Based on the enlarged issued share capital comprising 660,864,038 Shares (excluding 2,457,602 treasury shares held by our Company) after the implementation of the Proposed Private Placement.
- (b) Assuming LWC Capital subscribes for 33,382,372 Placement Shares under the Proposed Private Placement.
- (c) Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the shareholdings of his son and daughter pursuant to Section 59(11)(c) of the Act.

Maximum Scenario

	Direct		Indirect	
	No. of Shares	(a)%	No. of Shares	(a)%
LWC Capital	^(b) 241,108,533	31.07	-	-
Datuk Wira Lee Wah Chong	8,089,600	1.04	^(c) 241,382,339	31.10
Lee Jin Jean	136,903	0.02	-	-
Lee Chun Szen	136,903	0.02	-	-
Lee Mey Ling	104,166	0.01	-	-

Notes:-

- (a) Based on the enlarged issued share capital comprising 776,098,688 Shares after the implementation of the Proposed Private Placement.

- (b) *Assuming LWC Capital subscribes for 66,921,052 Placement Shares under the Proposed Private Placement.*
- (c) *Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the shareholdings of his son and daughter pursuant to Section 59(11)(c) of the Act.*

Our Management intends to fix the allocation of the Placement Shares between LWC Capital and third-party investor(s) only after the book-building process with the aim and priority to place the Placement Shares to LWC Capital and third-party investor(s) simultaneously in 1 tranche. For avoidance of doubt, the allocation of Placement Shares to LWC Capital will be on the same terms as those given to third-party investor(s).

Notwithstanding our Management's intention above and subject to the prevailing economic conditions and the outcome of the book-building process, the said Placement Shares may however be placed and allocated to LWC Capital and third-party investor(s) in 1 or more tranches within 6 months from the date of approval from Bursa Securities for the listing of and quotation for the Placement Shares or any extended period as may be approved by Bursa Securities.

*Further, any Placement Shares not subscribed by LWC Capital ("**Unsubscribed Portion**") will be fully reallocated to third-party investor(s) (who qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007) to be identified later and in the manner as set out in Note (2) below.*

- (2) *The remaining portion of up to 141,835,527 Placement Shares (representing up to approximately 15.38% of our enlarged issued share capital after the implementation of the Proposed Private Placement under the Maximum Scenario) and the Unsubscribed Portion, if any, shall be placed out to third-party investor(s) to be identified later ("**Placees**"), where such investor(s) are deemed qualified under Schedules 6 and 7 of the Capital Markets and Services Act 2007. The aforesaid Placement Shares will not be placed to the following parties:-*
 - (a) *the director, major shareholder or chief executive of Digistar or a holding company of Digistar ("**Interested Person(s)**");*
 - (b) *person connected with an Interested Person; and*
 - (c) *nominee corporations, unless the names of the ultimate beneficiaries are disclosed.*

Subject to market conditions and the timing of identification of the Placees, the Proposed Private Placement may be implemented in 1 or more tranches within 6 months from the date of approval from Bursa Securities for the listing of and quotation for the Placement Shares or any extended period as may be approved by Bursa Securities. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to our Company to procure interested investors to subscribe for the Placement Shares within the period as approved by Bursa Securities.

Pursuant to Paragraph 8.02(1) of the Listing Requirements, we must ensure that at least 25.00% of the total listed Digistar Shares (excluding treasury shares, if any) are in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Digistar Shares each. The public shareholding spread of Digistar as at the LPD as well as the pro forma public shareholding spread of Digistar after the Proposed Private Placement under the Minimum Scenario and Maximum Scenario are set out below:-

	As at the LPD		After the Proposed Private Placement			
			Minimum Scenario		Maximum Scenario	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Issued share capital	629,939,268		⁽²⁾ 818,183,767		⁽³⁾ 921,930,926	
Less: Treasury shares	(2,457,602)		(2,457,602)		-	
Subtotal after netting treasury shares	627,481,666	100.00	815,726,165	100.00	921,930,926	100.00
Less:						
Directors of Digistar and our subsidiaries	7,361,979	1.17	7,361,979	0.90	7,361,979	0.80
Shareholders of Digistar who own 5% or more of the issued share capital of Digistar (except where such shareholder may be included as "public") ⁽¹⁾	254,411,656	40.54	⁽⁴⁾ 317,159,822	38.88	⁽⁵⁾ 325,329,419	35.29
Associates of Directors or substantial shareholders of Digistar (excluding the associates of Directors or substantial shareholders of Digistar who are also our Directors)	-	-	-	-	-	-
Shareholders holding less than 100 shares	25,580	*	25,580	*	25,580	*
Public shareholdings	365,682,451	58.29	491,178,784	60.22	589,213,948	63.91

Notes:-

- * *Negligible.*
- (1) *Excluding Directors of Digistar and our subsidiaries who are also the substantial shareholders of Digistar.*
- (2) *Assuming up to 188,244,499 Placement Shares to be issued pursuant to the Proposed Private Placement under the Minimum Scenario.*
- (3) *Assuming up to 212,753,290 Placement Shares to be issued pursuant to the Proposed Private Placement under the Maximum Scenario.*
- (4) *Assuming up to 62,748,166 Placement Shares are allocated to LWC Capital, being our major shareholder, under the Minimum Scenario pursuant to the Proposed Private Placement.*
- (5) *Assuming up to 70,917,763 Placement Shares are allocated to LWC Capital, being our major shareholder, under the Maximum Scenario pursuant to the Proposed Private Placement.*

As at the LPD, the public shareholding spread of Digistar is at 58.29% comprising 4,570 shareholders. As illustrated in the table above, upon the completion of the Proposed Private Placement, it should be noted that Digistar will remain in compliance with the minimum public shareholding spread requirements. The pro forma public shareholding spread of Digistar after the Proposed Private Placement will be 60.22% comprising 4,575 shareholders under the Minimum Scenario and 63.91% with the same number of shareholders under the Maximum Scenario, assuming LWC Capital fully subscribes for all the allocated Placement Shares and the remaining Placement Shares are to be fully placed out to 5 Placees (where each of them shall hold less than 5% of the enlarged issued share capital after the Proposed Private Placement).

2.3 Basis of determining and justification for the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares to be issued will be determined and fixed by our Board after receipt of all relevant approvals and after taking into consideration the prevailing market conditions. In any event, the issue price shall not be priced at a discount of more than 10% to the 5-day VWAP of Digistar Shares up to and including the last trading day immediately prior to the price-fixing date for each tranche.

For illustration purposes, the illustrative issue price for the Placement Shares is assumed to be RM0.039 per Placement Share, which represents a discount of approximately 8.45% to the 5-day VWAP of Digistar Shares up to and including the LPD of RM0.0426 per Digistar Share.

In the event the Proposed Private Placement is implemented in multiple tranches, there could potentially be several price-fixing dates and issue prices. As such, the issue price for each tranche of the Placement Shares will be fixed and announced separately.

2.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing Digistar Shares, save and except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the said Placement Shares.

2.5 Listing of and quotation for the Placement Shares

Bursa Securities had, via its letter dated 23 February 2026, approved the listing of and quotation for up to 212,753,290 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 12** of this Circular.

2.6 Utilisation of proceeds

For illustration purposes, assuming up to 212,753,290 Placement Shares are issued at an indicative issue price of RM0.039 per Placement Share and the full subscription of the Placement Shares, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM8.30 million. However, in the event the Placement Shares are successfully placed solely to LWC Capital (as illustrated in **Section 2.2** of this Circular), the Proposed Private Placement is only expected to raise gross proceeds of up to approximately RM2.61 million, assuming up to 66,921,052 Placement Shares are issued at an indicative issue price of RM0.039 per Placement Share.

The exact amount of the gross proceeds to be raised from the Proposed Private Placement would depend on the actual issue price and number of Placement Shares to be issued, which will be determined at a later date.

Based on the Minimum Scenario and Maximum Scenario, the gross proceeds to be raised from the Proposed Private Placement are expected to be utilised by our Group in the following manner:-

Details of utilisation	Timeframe for utilisation of proceeds	Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
(i) Business expansion on the provision of internet television services segment	Within 24 months from receipt of funds	7,162	97.55	8,117	97.83
(ii) Estimated expenses for the Proposed Private Placement	Within 1 month from receipt of funds	180	2.45	180	2.17
Total		7,342	100.00	8,297	100.00

Notes:-

(i) Business expansion on the provision of internet television services segment

Panorama TV Asia Broadcast Sdn Bhd, an indirect 60%-owned subsidiary of our Company, had launched Panorama TV, an internet television service ("Panorama TV") in August 2024 through an over-the-top ("OTT") platform with the aim of serving businesses within the local hospitality sectors, in particular hotels, service apartments and hospitals. Panorama TV currently offers 70 channels spanning across a diverse and comprehensive range of contents categories (including movies, food, entertainment, news and sports). These channels are delivered via television boxes or servers, in collaboration with our key content and channel partners (such as Global Light Entertainment LLC, China Media Group and Sports Studio Inc). As at the LPD, Panorama TV offers 4 subscription packages to customers within the hospitality sector, with monthly subscription fee ranging between RM10 to RM25, depending on the technology solutions selected and the number of users or rooms to be served.

Under Panorama TV's current subscription structure, each subscriber account operates as a 'master account'. The subscriber account holder, typically hotel, service apartment or hospital operators, will centrally administer user access and content settings for all users created under the account. The customers of Panorama TV may select the following modes to access Panorama TV's contents:-

- (a) television boxes – contents are streamed directly from the OTT platform to the individual television boxes installed in each room, with each television box responsible for receiving and displaying the contents on the in-room television; or*
- (b) servers – contents are delivered from the OTT platform to a central server installed at customers' premises and subsequently distributed internally to each room via the property's local access network (LAN).*

This structure provides the subscriber accounts holders centralised control over user access and content settings whilst maintaining the flexibility for the respective users (within each room) to personalise their viewing preferences.

During the FYE 30 September 2025, Panorama TV had demonstrated consistent commercial traction, as evidenced by the total sales of approximately RM0.70 million and gross profit of approximately RM0.07 million (representing gross margins of approximately 10%) for the financial year. Building on this initial market acceptance, our Group has made a deliberate strategic decision to expand the service offering of Panorama TV to serve local households directly, with the objective of broadening its subscription base and enhancing brand visibility whilst continuing its efforts to further strengthen its market share in the local hospitality segment.

Our Group has an existing subscriber base of 75 subscriber accounts (comprising 74 hotel operators and 1 hospital operator), serving more than 10,000 users as at the LPD. For information purposes, the decrease in the number of subscriber accounts from 80 subscriber accounts (as disclosed in the circular dated 6 November 2024) to 75 subscriber accounts as at the LPD was primarily due to certain customers subsequently ceasing their subscription with our Group. Notwithstanding thereof, the total number of users served by our Group had increased significantly from 3,000 users to more than 10,000 users. This increase was mainly attributable to the existing customers' decision to deploy and install Panorama TV across all of the rooms within their properties upon completion of the proof of concept phase.

In view of the above, we believe that the timing is appropriate to extend Panorama TV directly to local households to further support subscription growth. In anticipation of this expansion and to facilitate adoption by the local household segment, our Company has developed a self-installation kit that allows users to access Panorama TV across multiple devices, including mobile phones, smart televisions, or older television models via a specially designed mobile application. Our Board considers the targeted expansion into the local household segment to be a natural progression of our Group's initial business strategy. For information purposes, our Group's earlier focus was directed exclusively at the local hospitality segment with the aim to accelerate subscription uptake and build market awareness.

Further, with the introduction of the self-installation kit, our Board believes that our Group is well-positioned to broaden our addressable market by enabling access to Panorama TV for households across Malaysia with an internet connection.

To support our entry to the local household market as well as further increase our subscriber base within the local hospitality business segment, our Company has hence earmarked up to approximately RM8.12 million of the proceeds raised from the Proposed Private Placement to expand the business of Panorama TV, which includes the purchase of android television boxes and/or servers for the streaming of the Panorama TV, the purchase and subscription of new contents or channels, marketing campaign and hiring of new workforce to support the Panorama TV operations. The indicative breakdown on the estimated costs and the estimated allocation of the proceeds for the business expansion are as follows:-

	Minimum Scenario		Maximum Scenario	
	Estimated costs (RM'000)	Estimated allocation of proceeds (RM'000)	Estimated costs (RM'000)	Estimated allocation of proceeds (RM'000)
Purchase of up to 18,000 android television boxes and/or 210 servers ^(a)	2,900	Up to 2,900	3,300	Up to 3,300
Purchase and subscription of new contents or channels to be included in the Panorama TV service offerings ^(b)	2,566	Up to 2,566	2,912	Up to 2,912
Marketing campaign costs to promote Panorama TV in the media (via online marketing, advertisement in the newspapers and/or traditional television channels) ^(c)	1,035	Up to 1,035	1,161	Up to 1,161
Hiring of up to 15 new workforce to expand the business of Panorama TV	661	Up to 661	744	Up to 744
Total	7,162	Up to 7,162	8,117	Up to 8,117

Notes:-

(a) Based on the estimated cost of RM100 per television box and RM6,000 per server as well as installation costs ranging between RM10 to RM15 per television box and RM1,000 to RM1,500 per server. With the purchase of the television boxes and/or servers, our Group anticipates to secure up to 210 subscriber accounts (serving approximately 21,000 additional users) under the hospitality segment and/or up to 180 additional users under the household segment within the next 2 years. As such, Panorama TV is expected to generate additional revenue of approximately RM315,000 per month, based on an average monthly subscription fee of RM15 per user and the projected incremental user base of approximately 21,000 users.

- (b) Our Group intends to subscribe for, amongst others, Rock Entertainment channels from BAM Asia Entertainment Network LLP, BBC channels from British Broadcast Corporation and TVB HK channels from TBVI Company Limited, which would provide contents ranging from news and documentaries to drama, movies and entertainment to the users of Panorama TV.
- (c) Include targeted advertising campaigns across a range of media channels, including emails, digital publications, social media platforms and other online marketing outlets (which include pop-up advertisements and banners).

The above breakdown is indicative only at this juncture, and our Board reserves the right to reallocate the utilisation of proceeds within the above sub-categories, as deemed appropriate.

For the avoidance of doubt, our Group does not foresee any material capital expenditure for the expansion of Panorama TV's business over the next 2 years as the internet television service is delivered via an OTT platform whereby our Group leverages on the TV boxes and servers hosted and managed by our strategic partners as well as our key content and channel partners for the streaming and delivery of contents to users. Accordingly, our Group is not required to undertake significant investments in infrastructure or equipment to support the maintenance and expansion of Panorama TV's operations.

In the event the amount required for the abovementioned business expansion is higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be utilised for the general working capital requirements of our Group which include, but are not limited to, general administrative and daily operational expenses (such as staff-related costs, utilities, statutory payments and any other overhead expenditures).

(ii) Estimated expenses for the Proposed Private Placement

The proceeds earmarked for estimated expenses in relation to the Proposed Private Placement will be utilised in the following manner:-

	RM'000
Professional fees (i.e. principal adviser, placement agent, solicitors, company secretary and share registrar)	85
Regulatory fees	30
Contingencies and other incidental expenses in relation to the Proposed Private Placement (i.e. convening of EGM, printing and advertisement expenses)	65
Total	180

If the actual expenses in relation to the Proposed Private Placement are higher than estimated, the deficit will be funded from the internally generated funds of our Group. Conversely, any surplus of funds following the payment of the expenses will be utilised for the general working capital requirements of our Group which includes, but are not limited to, general administrative and daily operational expenses (such as staff-related costs, utilities, statutory payments and any other overhead expenditures). The breakdown of the utilisation of such proceeds has not been determined at this juncture and will depend on the operating and funding requirements at the time of utilisation.

The actual gross proceeds to be raised from the Proposed Private Placement is dependent on the actual issue price and the number of Placement Shares to be issued. In the event the actual proceeds raised from the Proposed Private Placement is less than RM8.30 million, the shortfall between actual expenditure to be incurred and total gross proceeds raised will be funded via our Group's internally generated funds and/or bank borrowings from financial institution(s), the exact proportion of which will be determined later and will be dependent on the operating and funding requirements at the time of utilisation.

Conversely, assuming we are able to issue the Placement Shares at a higher issue price than the illustrative issue price of RM0.039 per Placement Share, the additional proceeds raised will be channelled towards the working capital of our Group, which includes, but are not limited to, general administrative and daily operational expenses (such as staff-related costs, utilities, statutory payments and any other overhead expenditures). The breakdown on utilisation of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.

Pending the utilisation of proceeds from the Proposed Private Placement for the above purposes, the proceeds (including accrued interest, if any) will be placed as deposits with licensed financial institutions and/or short-term money market instruments, as our Board may deem fit. Any interest income and/or gains earned from such deposits or instruments will be utilised as additional working capital for our Group, which includes, but are not limited to general administrative and daily operational expenses (such as staff-related costs, utilities, statutory payments and any other overhead expenditures), the breakdown of which has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.

2.7 Details of past equity fund-raising exercises undertaken by our Company

Our Company had undertaken several equity fund-raising exercises since 2016 and the proceeds raised through these exercises were primarily channelled towards growing the existing revenue streams of our Group and to support our new venture into the provision of internet televisions services segment, with the aim to improve our financial performance and strengthen our financial position. A summary of the proceeds raised from the fund-raising exercises is set out below:-

Past fund-raising exercises	Total proceeds raised (RM'000)
Private placement exercise undertaken in 2016	6,521
Private placement exercise undertaken in 2017	8,202
Private placement exercise undertaken in 2020	2,604
Rights issue exercise undertaken in 2021	13,019
Private placement exercise undertaken in 2022	6,562
Private placement exercise undertaken in 2024	5,922
Total	42,830

The proceeds raised from these equity fund-raising exercises have been fully utilised in accordance with the intended use. Further details on the above past equity fund-raising exercises undertaken by our Company are set out in **Appendix I** of this Circular.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable our Group to raise additional funds primarily for the business expansion of Panorama TV, further details of which are as set out in **Section 2.6** of this Circular.

After due consideration of the various options available, our Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for our Group due to the following reasons:-

- (i) the Proposed Private Placement will enable our Group to raise funds more expeditiously and in a cost-effective manner as opposed to other fund-raising options via equity;
- (ii) the Proposed Private Placement will improve the liquidity and financial flexibility of our Group by strengthening our financial position, particularly during such a challenging economic environment;

- (iii) the Proposed Private Placement will serve as an additional source of funding for our Group without incurring interest expense as compared to bank borrowings;
- (iv) the Proposed Private Placement is expected to strengthen the shareholders' value and capital base of our Group; and
- (v) the Proposed Private Placement is expected to enhance our long-term earnings as it enables our Group to continue to fund and expand our provision of internet television services segment and enhance our market presence within the industry.

Further, the allocation of the Placement Shares to LWC Capital (being our major shareholder and the investment holding vehicle of our Group Managing Director and Executive Directors, namely, Datuk Wira Lee Wah Chong, Lee Jin Jean, Lee Chun Szen and Lee Mey Ling) pursuant to the Proposed Private Placement demonstrates the commitment of our Directors and major shareholder in supporting our business expansion plans, in particular, the Panorama TV business. This aligns their interest with that of our shareholders and reflects their continued confidence in our growth prospects, which is expected to have a positive effect on market perception and may encourage participation from other potential investors in the Proposed Private Placement.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

Malaysia's economy remains strong, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4% – 4.8% in 2025 and 4% – 4.5% in 2026. These projections are consistent with the International Monetary Fund in the World Economic Outlook Update, July 2025, which forecasts Malaysia's growth at 4.5% for 2025 and 4% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 ("VM2026"). The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.2 Overview and outlook of the information and communication industry in Malaysia

The information and communication subsector expanded by 3.5% in the first half of 2025 attributed to increasing demand for digital connectivity and data services in the telecommunication segment. The subsector's growth is projected to increase by 3.6% in the second half of the year, leading to an overall growth of 3.6% in 2025.

The information and communication subsector is expected to grow 4.3%, mainly driven by expansion in AI technologies, data centre and cloud computing capacities as well as continued government support through comprehensive digital policies and infrastructure upgrades. In addition, the subsector will be fuelled by higher social commerce activities via various social platforms as well as subscriptions of OTT media services for e-sports and entertainment. Major sporting events such as the 2026 FIFA World Cup, BWF Thomas & Uber Cup 2026 and the 2026 Commonwealth Games will increase the number of subscribers, further boosting the subsector.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.3 Overview and outlook of construction industry in Malaysia

The construction sector expanded strongly by 13.1% in the first half of 2025, supported by solid performance across all subsectors. The non-residential buildings subsector recorded robust expansion, driven by acceleration and realisation of private investment in industrial facilities, commercial complexes and data centres, reflecting sustained business activities and rising digitalisation. The residential buildings subsector also posted a steady growth, supported by continued demand for affordable housing and government initiatives to promote home ownership. In addition, the specialised construction activities subsector recorded stable growth, driven by telecommunications infrastructure projects and coastal reclamation activities. The civil engineering subsector sustained its positive performance, underpinned by ongoing works on infrastructure projects, such as the Pan Borneo Highway Sabah and Rapid Transit System Link.

For the rest of 2025, the sector is expected to grow by 7.3%. The civil engineering subsector is anticipated to expand, supported by continued rollout of large-scale public infrastructure projects towards the end of the Twelfth Malaysia Plan, 2021 – 2025 period. Ongoing projects, including the Sarawak Sabah Link Road, will continue to drive momentum in the subsector. The non-residential buildings subsector will continue to gain from investment in commercial and industrial facilities, including data centres development in Johor and Selangor. In addition, the residential buildings subsector growth is expected to be bolstered by new launches in the affordable and mid-market housing as well as integrated township development in key growth corridors amid favourable financing conditions. Overall, the construction sector is projected to record a steady growth of 10.1% for 2025.

The construction sector is expected to remain stable in 2026 by recording a growth of 6.1%, underpinned by positive performance across all subsectors. The realisation of approved strategic investments under national policies and commencement of projects under the Thirteenth Malaysia Plan, 2026 – 2030 (“**Thirteenth Plan**”), will further support the sector’s performance. Within the subsectors, major infrastructure and utilities development such as light rail transit (LRT) Mutiara Line, Hybrid Hydro Floating Solar (HHFS) and ASEAN Power Grid will steer the civil engineering subsector’s performance. In addition, the non-residential buildings subsector is anticipated to be driven by sustained demand for industrial facilities, logistics hubs and data centres, in line with the expansion of high technologies as well as digitalisation. Meanwhile, the residential buildings subsector is expected to benefit from government-led affordable housing programmes and targeted home ownership initiatives supported by policy measures under the Thirteenth Plan as well as new projects by private sectors. On the other hand, specialised construction activities subsector is projected to grow in tandem with other subsectors’ performance supported by sustained demand for site preparation, mechanical and electricals, as well as finishing works.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.4 Overview and outlook of the tourism, leisure and hospitality industry in Malaysia

The services sector grew by 5% in the first half of 2025 and is expected to expand by 5.1% in the second half, underpinned by resilient household spending and higher visitor arrivals leading to robust domestic tourism activities. Overall, the sector is estimated to grow 5.1%, with all subsectors registering positive growth.

The food & beverages and accommodation subsector expanded by 8.4% in the first half of 2025, spurred by higher hotel occupancy rates and increased patronage at restaurants. Building from the notable surge in visitor arrivals by 17.9% in the first half of the year, the subsector is expected to expand by 10.5% in the second half of the year. This improvement is expected to be buoyed by an influx of visitors for both business and leisure purposes along with numerous meetings, incentives, conferences and exhibitions (MICE) events in conjunction with ASEAN-Malaysia Chairmanship 2025. The upward momentum is boosted by improved accessibility through progressive visa policies and continuous improvement in regional connectivity as well as intensified promotional activities for VM2026. The subsector is forecast to register a growth of 9.5% in 2025.

The utilities subsector contracted marginally by 0.01% in the first half of 2025 due to lower electricity consumption from the industrial segment following cautious stance stemming from tariff uncertainties. Nevertheless, the subsector is estimated to grow by 1.7% in the second half of the year, supported by steady demand for electricity, water and gas in the industrial and commercial segments following improved production activities. For the year, the subsector is expected to grow marginally by 0.8%.

The other services subsector grew by 5.1% in the first half of 2025, mainly supported by the private healthcare and other private services segments. The subsector is projected to grow by 4.4% in the second half of the year driven by the growth in the community, social and personal services as well as other private services segments in line with increased tourism activities. Overall, the subsector is anticipated to expand by 4.7% in 2025.

The services sector is projected to grow by 5.2% in 2026, with all subsectors contributing to the expansion. This growth will be led by increased tourism activities, driven by a surge in visitor arrivals and spending related to VM2026, alongside sustained consumer spending.

The food & beverages and accommodation subsector is poised to expand by 6.6%, in anticipation of higher visitor arrivals in conjunction with VM2026 as well as numerous business and leisure events nationwide. The development of Special Tourism Investment Zones (STIZ) in Johor, Melaka, Negeri Sembilan and Sarawak is expected to attract private investment and further boost tourism activities. The zones will showcase new tourism products focusing on arts, culture, heritage and natural attractions. In addition, visit state year programmes in Johor, Negeri Sembilan, Perlis and Selangor are expected to further promote domestic tourism activities and fuel the growth of the subsector.

The utilities subsector is projected to expand by 1.7%, driven by steady demand from industrial and commercial users for electricity and water services. This is in tandem with the increase in industrial production activities to meet domestic and external demand. In addition, the increasing number of data centres in operation will further support the subsector.

The other services subsector is projected to rise by 4.6%, driven by private health and education segments. In particular, the Malaysia Year of Medical Tourism 2026 (MYMT 2026) initiative, emphasising affordability and high-quality healthcare services will attract more healthcare travellers. The healthcare industry will continue to focus on a targeted marketing campaign, particularly in China, India and Indonesia. Meanwhile, the private education segment is expected to remain robust, anchored by ongoing initiatives to draw in students such as through educational tourism, international partnerships and mobility programmes.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.5 Prospects of Digistar

Based on available market reports, our Management notes that the OTT video market in Malaysia has grown in recent years, while traditional media platforms have experienced a gradual decline. The OTT segment, driven largely by subscription video on demand (“**SVOD**”) services such as Netflix, Astro Go and sooka, has increased significantly since 2019, achieving revenue of approximately RM730.0 million in 2023. The market is projected to continue expanding at a compound annual growth rate of 11.7% to approximately RM1.6 billion by 2028. SVOD services are expected to account for the majority of OTT revenue, while the transactional video on demand segment is anticipated to remain relatively modest in size.

Leveraging on our technical expertise and capabilities, our Group has developed proprietary solutions for the provision of internet television services. These solutions are designed to operate with lower bandwidth requirements, enabling stable and efficient content streaming as user number increases. The lower bandwidth consumption coupled with the efficiency of our proprietary solutions allow our Group to scale our user base without a corresponding increase in operating costs, thereby enabling our Group to offer more competitive and affordable monthly subscription fees to our customers.

Further, through the installation of television boxes and/or servers, our Group is able to enable existing in-room televisions at customers' premises to access Panorama TV's channel offerings without requiring replacement of the underlying hardware. This may result in cost efficiencies for our customers.

Building on our initial expansion into the provision of internet television services segment and the subsequent extension of Panorama TV to serve local households directly, our Board is of the view that our Group is well-positioned to capitalise on growth opportunities within the OTT video market as well as to broaden the market reach and audience base of Panorama TV within the local hospitality and local household segments as consumers increasingly transition towards internet-based broadcasting solutions which provide a more stable connection, higher content accessibility and seamless viewing experience.

As the subscriber base continues to grow, our Board expects this segment to contribute increasingly to our revenue base over time. By utilising the proceeds raised from the Proposed Private Placement as set out in **Section 2.6** of this Circular, our Group will hence be able to support the continued development and expansion of the Panorama TV business for the local hospitality and local household segments. This includes initiatives aimed at strengthening market presence in the near term and implementing targeted marketing efforts to enhance brand awareness and recognition of Panorama TV's service offerings among local household users as well as to support our current focus on growing our subscriber base amongst local hospitality operators. Based on inquiries received to date and ongoing discussions with potential customers currently in the onboarding process, our Management estimates that the user base may reach approximately 25,000 by the end of 2026, comprising about 24,500 users within the hospitality sector and 500 users within the household sector. This would represent an increase of approximately 10,500 hospitality users and 500 household users. Assuming an average subscription fee of RM15 per user, the projected user base may contribute up to approximately RM0.35 million in monthly revenue.

It is pertinent to note that while our Group aims to secure up to 21,000 additional users under the hospitality segment and up to 180 additional users under the household segment based on the proposed utilisation of proceeds over the estimated timeframe for utilisation of proceeds of 2 years (as disclosed in **Section 2.6** of this Circular), our Management currently estimates that our user base is expected to increase by approximately 11,000 users (comprising approximately 10,500 hospitality users and 500 household users) within the next year, after taking into consideration, amongst others, the inquiries received to date and preliminary engagements with potential customers. Further, with the introduction of the self-installation kit, our Group expects to further accelerate the expansion of our household users base as the self-installation kit enables users to access Panorama TV without the need to purchase a television box. Accordingly, we anticipate to secure an additional 500 users under the household segment in 2026 (which may comprise of users who subscribe to Panorama TV via our television box and/or self-installation kit).

At the same time, our Group will also continue to focus on the operational growth of our other existing business segments. In particular, our Group has continued to increase our marketing efforts to promote our maiden hotel, the Imperial Heritage (which is strategically located in the heart of Melaka). The increased marketing efforts through various online travel platforms and promotional campaigns, coupled with the integration of our AI-driven pricing technology into our hotel's operational systems is anticipated to further improve occupancy rates and optimise revenue per available room, thereby enhancing the overall profitability of our hotel segment.

Further, our Group has also secured a new customer in the telecommunications sector in Sarawak for the deployment and provision of our security monitoring services across the network of telecommunications towers owned and operated by the customer. This initiative is expected to generate recurring revenue to our Group and contribute positively to our long-term earnings.

Premised on the above, our Board envisages that the prospect of our Group remains favourable after taking into consideration, amongst others, our Group's abovementioned business strategies and initiatives as well as the outlook of the Malaysian economy.

(Source: Management)

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1 Issued share capital

The pro forma effects of the Proposed Private Placement on our issued share capital are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	629,939,268	68,459,464	629,939,268	68,459,464
Less: Treasury shares, at cost	(2,457,602)	(3,248,747)	-	-
	627,481,666	65,210,717	629,939,268	68,459,464
No. of Shares to be issued assuming full exercise of Warrants D	-	-	79,238,368	⁽¹⁾ 4,754,302
	627,481,666	65,210,717	709,177,636	73,213,766
Placement Shares to be issued pursuant to the Proposed Private Placement	188,244,499	⁽²⁾ 7,341,535	212,753,290	⁽²⁾ 8,297,378
Enlarged issued share capital after the Proposed Private Placement	815,726,165	72,552,252	921,930,926	81,511,144

Notes:-

- (1) Computed based on the exercise price of RM0.06 per Warrant D.
(2) Computed based on the illustrative issue price of RM0.039 per Placement Share.

5.2 NA, NA per Share and gearing

For illustration purposes, the pro forma effects of the Proposed Private Placement on the NA, NA per Share and gearing based on the audited consolidated statement of financial position of our Group for the FYE 30 September 2025 are set out below:-

Minimum Scenario

	Audited as at 30 September 2025 (RM'000)	Pro forma I After the Proposed Private Placement (RM'000)
Share capital	68,398	⁽¹⁾ 75,740
Treasury shares	(3,249)	(3,249)
Warrant reserve	5,208	5,208
Discount on share	(5,208)	(5,208)
Accumulated losses	(3,530)	⁽²⁾ (3,710)
Shareholders' equity/NA	61,619	68,781
Non-controlling interests	(6,924)	(6,924)
Total equity	54,695	61,857
No. of Shares in issue ('000)	[^] 627,481	[^] 815,726
NA per Share (RM)	0.10	0.08
Total borrowings* (RM'000)	180,370	180,370
Deposits, cash and bank balances (RM'000)	52,893	⁽¹⁾⁽²⁾ 60,055
Net borrowings (RM'000) ⁽³⁾	127,477	120,315
Net gearing ratio (times)	2.07	1.75

Notes:-

- [^] Excluding 2,457,602 treasury shares held by our Company as at the LPD.
- ^{*} Comprising bonds, term loans and lease liabilities.
- (1) Based on the illustrative issue price of RM0.039 per Placement Share.
- (2) After deducting the estimated expenses pertaining to the Proposed Private Placement amounting to approximately RM0.18 million.
- (3) Computed by deducting deposits, cash and bank balances from the total borrowings.

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Maximum Scenario

	Audited as at 30 September 2025 (RM'000)	Pro forma I Assuming all treasury shares are resold to the open market (RM'000)	Pro forma II After pro forma I and (2) assuming full exercise of Warrants D (RM'000)	Pro forma III After pro forma II and the Proposed Private Placement (RM'000)
Share capital	68,398	68,398	73,152	(3)81,449
Treasury shares	(3,249)	(1)	-	-
Warrant reserve	5,208	5,208	5,208	5,208
Discount on share	(5,208)	(5,208)	(5,208)	(5,208)
Accumulated losses	(3,530)	(3,530)	(3,530)	(4)(3,710)
Shareholders' equity/NA	61,619	64,868	69,622	77,739
Non-controlling interests	(6,924)	(6,924)	(6,924)	(6,924)
Total equity	54,695	57,944	62,698	70,815
No. of Shares in issue ('000)	[^] 627,481	629,939	709,177	921,930
NA per Share (RM)	0.10	0.10	0.10	0.08
Total borrowings* (RM'000)	180,370	180,370	180,370	180,370
Deposits, cash and bank balances (RM'000)	52,893	(1)56,142	60,896	(3)(4)69,013
Net borrowings (RM'000) ⁽⁵⁾	127,477	124,228	119,474	111,357
Net gearing ratio (times)	2.07	1.92	1.72	1.43

Notes:-

[^] Excluding 2,457,602 treasury shares held by our Company as at the LPD.

* Comprising bonds, term loans and lease liabilities.

(1) Assuming the resale of 2,457,602 treasury shares held by our Company as at the LPD at the respective acquisition cost.

(2) Assuming the 79,238,368 outstanding Warrants D are fully exercised at an exercise price of RM0.06 per Warrant D prior to the implementation of the Proposed Private Placement.

(3) Based on the illustrative issue price of RM0.039 per Placement Share.

(4) After deducting the estimated expenses pertaining to the Proposed Private Placement amounting to approximately RM0.18 million.

(5) Computed by deducting deposits, cash and bank balances from the total borrowings.

5.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the shareholdings of our substantial shareholders are set out below:-

Minimum Scenario

	As at the LPD				Pro forma I After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
LWC Capital	174,111,556	27.75	-	-	(4)236,859,722	29.04	-	-
Datuk Wira Lee Wah Chong	7,059,600	1.13	(3)174,330,602	27.78	7,059,600	0.87	(3)237,078,768	29.06
Gan Boon Tian	80,300,100	12.80	-	-	80,300,100	9.84	-	-

Notes:-

- (1) Based on the existing issued share capital comprising 627,481,666 Shares (excluding 2,457,602 treasury shares held by our Company) as at the LPD.
- (2) Based on the enlarged issued share capital comprising 815,726,165 Shares (excluding 2,457,602 treasury shares held by our Company) after the implementation of the Proposed Private Placement.
- (3) Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the shareholdings of his son and daughter pursuant to Section 59(1)(c) of the Act.
- (4) Assuming LWC Capital subscribes for up to 62,748,166 Placement Shares under the Proposed Private Placement.

Maximum Scenario

	As at the LPD				Pro forma I Assuming all treasury shares are resold to the open market			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
LWC Capital	174,111,556	27.75	-	-	174,111,556	27.64	-	-
Datuk Wira Lee Wah Chong	7,059,600	1.13	(6)174,330,602	27.78	7,059,600	1.12	(6)174,330,602	27.67
Gan Boon Tian	80,300,100	12.80	-	-	80,300,100	12.75	-	-

	Pro forma II After pro forma I and assuming full exercise of Warrants D ⁽³⁾				Pro forma III After pro forma II and the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(4)%	No. of Shares	(4)%	No. of Shares	(5)%	No. of Shares	(5)%
LWC Capital	174,187,481	24.56	-	-	(7)245,105,244	26.59	-	-
Datuk Wira Lee Wah Chong	8,089,600	1.14	(6)174,461,287	24.60	8,089,600	0.88	(6)245,379,050	26.62
Gan Boon Tian	80,300,100	11.32	-	-	80,300,100	8.71	-	-

Notes:-

- (1) Based on the existing issued share capital comprising 627,481,666 Shares (excluding 2,457,602 treasury shares held by our Company) as at the LPD.
- (2) Based on the issued share capital comprising 629,939,268 Shares assuming all 2,457,602 treasury shares held by our Company as at the LPD are resold to the open market at their respective acquisition cost.
- (3) The direct and indirect Warrants D holdings of our substantial shareholders as at the LPD are as follows:-

Substantial shareholder	Direct		Indirect	
	No. of Warrants D			
LWC Capital	75,925	-	-	-
Datuk Wira Lee Wah Chong	1,030,000	-	-	^130,685

Note:-

- ^ Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the Warrant D holdings of his son and daughter.

- (4) *Based on the enlarged issued share capital comprising 709,177,636 Shares assuming all 79,238,368 outstanding Warrants D are exercised prior to the implementation of the Proposed Private Placement.*
- (5) *Based on the enlarged issued share capital comprising 921,930,926 Shares after the implementation of the Proposed Private Placement.*
- (6) *Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the shareholdings of his son and daughter pursuant to Section 59(11)(c) of the Act.*
- (7) *Assuming LWC Capital subscribes for up to 70,917,763 Placement Shares under the Proposed Private Placement.*

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5.4 Earnings and EPS

The Proposed Private Placement is not expected to have any material effect on the earnings of our Group for the FYE 30 September 2026. However, there will be a corresponding dilution in the EPS of our Group as a result of the increase in the number of Digistar Shares issued pursuant to the Proposed Private Placement.

Nevertheless, the Proposed Private Placement is expected to contribute positively to the future earnings of our Group when the benefits arising from the proposed utilisation of proceeds as set out in **Section 2.6** of this Circular are realised.

5.5 Existing convertible securities

As at the LPD, save for the outstanding Warrants C and Warrants D, our Company does not have any other convertible securities.

The Proposed Private Placement will not give rise to any adjustments to the exercise price and/or number of outstanding Warrants C and Warrants D pursuant to the Deed Poll C and Deed Poll D respectively.

6. THE CURRENT FINANCIAL POSITION OF OUR GROUP

The financial performance of our Group for the past 4 financial years up to the FYE 30 September 2025 are as follows:-

	Audited FYE 30 September			
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	49,886	47,613	46,052	39,834
(LBT)/PBT	(2,026)	274	(5,080)	(5,324)
LAT	(4,614)	(1,944)	(6,855)	(7,954)
LAT attributable to the owners of our Company	(5,244)	(2,426)	(6,700)	(6,276)
Retained earnings/(Accumulated losses)	⁽¹⁾ 10,212	9,446	2,746	(3,530)
NA	⁽¹⁾ 60,924	67,538	61,450	61,619
Total borrowings*	229,983	213,834	192,363	180,370
Gearing (times)	3.77	3.17	3.13	2.93
No. of Shares in issue^ ('000)	⁽²⁾ 347,179	⁽³⁾ 464,971	⁽⁴⁾ 475,183	⁽⁵⁾ 627,481
Basic loss per Share (sen) ⁽⁶⁾	(1.51)	(0.52)	(1.41)	(1.00)
NA per Share (sen)	17.55	14.53	12.93	9.82
Current ratio (times)	1.72	1.78	1.54	1.39

Notes:-

* Comprising bonds, term loans and lease liabilities.

^ Excluding 2,457,602 treasury shares held by our Company as at the LPD.

(1) After the completion of the share capital reduction exercise (which entailed the reduction and cancellation of RM70.0 million of the issued share capital of our Company pursuant to Section 116 of the Act) on 12 July 2022.

(2) After the completion of the consolidation of every 3 existing Digistar Shares into 1 Digistar Share on 31 May 2022.

- (3) *After the completion of the private placement of up to 30% of the total number of issued Digistar Shares on 12 January 2023 and the exercise of 3,638,451 and 10,000,000 Warrants D on 8 August 2023 and 11 August 2023 respectively.*
- (4) *After the exercise of 5,005,000, 4,000,000 and 1,206,900 Warrants D on 4 April 2024, 19 April 2024 and 10 September 2024 respectively.*
- (5) *After the completion of the Private Placement 2024 on 17 January 2025 and the exercise of 9,743,100 Warrants D on 20 March 2025.*
- (6) *Computed based on LAT attributable to the owners of our Company divided by number of Shares in issue.*

Commentary on past performance

(i) Audited FYE 30 September 2023 (“FYE 2023”)

Our Group recorded lower revenue of approximately RM47.61 million in the FYE 2023, representing a decrease of approximately 4.57% or RM2.28 million, as compared to the revenue of approximately RM49.89 million recorded in the previous financial year. The decrease in revenue was mainly attributed to the lower revenue contribution from the system integration segment of our Group of approximately RM8.98 million recorded in the FYE 2023 as compared to revenue of approximately RM11.66 million recorded in the FYE 2022 due to lower project margins and lower number of extra-low voltage (ELV) system projects secured during the financial year as a result of increased competition within the market.

During the FYE 2023, our Group had recorded a PBT of approximately RM0.27 million in the FYE 2023 as compared to the LBT of approximately RM2.03 million recorded in the previous financial year. This was mainly due to the following:-

- (a) decrease in impairment losses arising from the trade receivables and other receivables from approximately RM1.98 million in the FYE 2022 to approximately RM0.45 million in the FYE 2023; and
- (b) increase in interest income earned from deposits with licensed banks from approximately RM0.66 million in the FYE 2022 to approximately RM1.12 million in the FYE 2023.

Our Group recorded a lower LAT of approximately RM1.94 million in the FYE 2023, representing a decrease of approximately 57.92% or RM2.67 million, as compared to the LAT of approximately RM4.61 million recorded in the previous financial year. The decrease in LAT was mainly attributable to the increase in revenue and improved profits from the hospitality segment which has recorded improved occupancy rates in the FYE 2023 following the recovery from the coronavirus disease 2019 (COVID-19) pandemic. The hospitality segment recorded a lower LAT of approximately RM0.34 million in the FYE 2023, representing a decrease of approximately 88.11% or RM2.52 million as compared to the LAT of approximately RM2.86 million in the previous financial year.

(ii) Audited FYE 30 September 2024 (“FYE 2024”)

Our Group recorded lower revenue of approximately RM46.05 million in the FYE 2024, representing a decrease of approximately 3.28% or RM1.56 million, as compared to the revenue of approximately RM47.61 million recorded in the previous financial year. The decrease in revenue was mainly attributed to the lower revenue contribution from the concession segment of our Group of approximately RM23.99 million in the FYE 2024 as compared to a revenue of approximately RM25.25 million recorded in the FYE 2023.

During the FYE 2024, our Group had recorded a LBT of approximately RM5.08 million in the FYE 2024 as compared to the PBT of approximately RM0.27 million recorded in the previous financial year. This was mainly due to the following:-

- (a) decrease in other income from approximately RM3.26 million in the FYE 2023 to approximately RM1.31 million in the FYE 2024 due to lower interest income earned from deposits placed with licensed banks;
- (b) increase in administrative expenses from approximately RM15.74 million in the FYE 2023 to approximately RM19.50 million in the FYE 2024 due to expenses incurred from the bond restructuring undertaken by our Group in January 2024 which amounted to RM4.06 million; and
- (c) decrease in net impairment gain arising from the trade receivables and other receivables from approximately RM1.96 million in the FYE 2023 to approximately RM0.38 million in the FYE 2024.

Our Group recorded a higher LAT of approximately RM6.86 million in the FYE 2024, representing an increase of approximately 253.61% or RM4.92 million, as compared to the LAT of approximately RM1.94 million recorded in the previous financial year. The increase in LAT in the FYE 2024 was mainly attributable to the decrease in revenue and increase in administrative expenses.

(iii) Audited FYE 30 September 2025 (“FYE 2025”)

Our Group recorded a lower revenue of approximately RM39.83 million in the FYE 2025, representing a decrease of approximately 13.51% or RM6.22 million, as compared to the revenue of approximately RM46.05 million recorded in the previous financial year. The decrease in revenue was mainly attributed to the lower revenue contribution from our system integration segment of approximately RM3.04 million recorded in the FYE 2025 as compared to approximately RM5.78 million recorded in the corresponding financial year as well as hospitality segment of approximately RM13.69 million recorded in the FYE 2025 as compared to approximately RM16.28 million recorded in the corresponding financial year.

Our Group had recorded a higher LBT of approximately RM5.32 million in the FYE 2025 as compared to the LBT of approximately RM5.08 million recorded in the previous financial year. This was mainly due to the following:-

- (a) our Group incurring net impairment losses arising from the trade receivables and other receivables of approximately RM5.14 million in the FYE 2025 as compared to the net impairment gain of approximately RM0.38 million in the corresponding financial year; and
- (b) increase in selling and distribution expenses to approximately RM2.94 million in the FYE 2025 as compared to approximately RM1.67 million in the corresponding financial year.

Our Group recorded a higher LAT of approximately RM7.95 million in the FYE 2025, as compared to the LAT of approximately RM6.86 million recorded in the previous financial year mainly due to the net impairment losses arising from the trade receivables and other receivables as well as higher selling and distribution expenses.

7. VALUE CREATION FROM THE PROPOSED PRIVATE PLACEMENT TO OUR GROUP AND SHAREHOLDERS

Our Company had explored various financing options, including but not limited to debt financing. Given the high gearing ratio of our Group, our Company had decided that the Proposed Private Placement is the most appropriate and expedient avenue to raise funds for the purposes set out in **Section 2.6** of this Circular. Further, as set out in **Section 3** of this Circular, our Board considers the Proposed Private Placement to be more expedient and cost-effective as compared to other larger-scale equity fund-raising exercises such as a rights issue. This is because rights issue generally involves a longer implementation timeline and higher costs (including potential underwriting costs related to such rights issue), and our Company may also be required to procure undertaking commitment from shareholders to achieve a minimum subscription level.

In respect thereof, our Group will be able to raise necessary funds for the intended purposes on an expedient basis and in a cost-effective manner via the placement route.

The Proposed Private Placement will also serve as an additional source of funding for the business expansion of our Group without incurring interest expenses as compared to conventional means of debt financing. The Proposed Private Placement will strengthen the capital structure of our Group by increasing the capital base of our Company. The Proposed Private Placement is expected to raise up to approximately RM8.30 million (based on an illustrative issue price of RM0.039 per Placement Share and on the Maximum Scenario) and shall be utilised towards, amongst others, the business expansion of the provision of internet television services segment of our Group.

In addition, the Proposed Private Placement will provide an opportunity for the introduction of new investors to participate in the equity of our Company, our future prospects and growth as well as broadening the shareholding base of our Company.

8. IMPACT OF THE PROPOSED PRIVATE PLACEMENT TO OUR GROUP AND SHAREHOLDERS

The Proposed Private Placement will have a dilutive impact on the EPS of our Group as a result of the increase in the total number of Shares in issue arising from the Proposed Private Placement. Notwithstanding that, the Proposed Private Placement is expected to contribute positively to the future earnings of our Group when the benefits arising from the proposed utilisation of proceeds are realised. The Proposed Private Placement is expected to raise up to approximately RM8.30 million (based on the indicative issue price of RM0.039 per Placement Share and under the Maximum Scenario) with proceeds primarily earmarked for the business expansion of Panorama TV. Upon utilisation of the proceeds raised from the Proposed Private Placement (further details of which are set out in **Section 2.6** of this Circular), our Group expects to secure up to 21,000 additional users and achieve a revenue of approximately RM315,000 per month. This, in turn, is expected to contribute positively to the earnings and financial performance of our Group and create value for our shareholders.

The financial impact of the Proposed Private Placement to our Company and our shareholders as highlighted in **Section 5** of this Circular will increase the NA of our Group from approximately RM61.62 million to approximately RM77.74 million upon the completion of the Proposed Private Placement under the Maximum Scenario. The increase in NA position will strengthen the capital base of our Group and result in a lower gearing ratio. For illustration purposes, after taking into consideration the increase in NA position, our Group's net gearing ratio is expected to improve from 2.07 times to 1.43 times. Notwithstanding the improvements in NA and net gearing, the NA per Share of our Group is expected to decrease from RM0.10 to RM0.08 upon the completion of the Proposed Private Placement under the Maximum Scenario due to the increase in the total number of Shares in issue.

9. THE ADEQUACY OF THE PROPOSED PRIVATE PLACEMENT IN ADDRESSING OUR COMPANY'S FINANCIAL CONCERNS

Our Board is of the view that the Proposed Private Placement serves as a measure to meet our Group's immediate business expansion needs in the short-term without relying on conventional debt financing (which will result in higher finance costs to be incurred). Premised on the aforesaid, our Board believes that the Proposed Private Placement will be beneficial to our Group and our shareholders, and is deemed adequate in addressing our Group's current financial concerns. The proceeds to be raised from the Proposed Private Placement will also serve to support our Company in improving our financial position.

At this juncture, our Board does not foresee any other immediate funding gaps relating to our Group's ongoing operations or near-term commitments as our Group is able to rely on internally generated funds and existing banking facilities to support our current working capital requirements. Notwithstanding that, our Board anticipates our funding requirements would increase in tandem with the continued growth of Panorama TV's business as our Group continues to scale and expand Panorama TV's market presence and reach. In particular, additional capital outlay will be required for the purchase of television boxes and servers necessary to support the expansion of our subscriber base. Further, our Group also expects additional funding requirements in the mid to long term to support the working capital requirements of our other business segments, in line with the initiatives undertaken to further expand these segments (further details of which are set out in **Section 10** of this Circular).

In view of the above, our Board will continue to explore, assess and evaluate all other suitable funding proposals for our Group's long term financial requirements (which may include our Group undertaking a rights issue with a larger quantum of proceeds to be raised or issuance of debt securities), which is aimed at supporting our business expansion plans and addressing and improving the current loss-making financial position of our Group.

10. STEPS UNDERTAKEN OR TO BE UNDERTAKEN TO IMPROVE THE FINANCIAL CONDITION OF OUR GROUP

The segmental breakdown of our financial results for the FYE 2025 are as follows:-

	[^] System integration (RM'000)	Rental and hotel (RM'000)	Concession (RM'000)	Total (RM'000)
Revenue	3,043	13,686	23,105	39,834
Segment loss	(18,283)	(6,530)	(9,134)	(33,947)

Note:-

[^] Includes provision of internet television services business.

We have undertaken several initiatives to improve our financial condition, which includes, amongst others:-

- (i) our Group's ongoing initiatives to reduce operating and capital expenditure as part of our cost savings measures (which includes, amongst others, to actively purchase key products and inventories through bulk purchases at attractive discounts on a periodic basis, delay in the capital expenditure of business expansion plans (which are low in priority) as well as limiting the hiring of new employees to an as-needed basis and focusing on the reallocation of human resources to cater for key operational areas of the hospitality segment), with the aim to strengthen the financial position and cash flow of our Group;

- (ii) the continued expansion of our Group's provision of internet television services business to provide internet television services to both local hospitality and household sectors. Our Group has implemented various initiatives aimed to strengthen our market presence, which includes, amongst others, targeted marketing efforts to enhance brand awareness and recognition of Panorama TV's service offerings. Our Group has participated in conferences, exhibitions and general meetings at both federal and state levels held by Malaysia Budget Hotel Association (myBHA), Malaysia Association of Hotel (MAH), Malaysia Association of Hotel Owners (MAHO) and Association of Private Hospitals, Malaysia (APHM), of which Panorama TV Asia Broadcast Sdn Bhd is a corporate member, to promote and enhance awareness of Panorama TV's service offerings within the local hospitality segment. Our Group has also conducted targeted advertising campaigns through email and social media platforms to further strengthen brand visibility and recognition of Panorama TV among the public.

Further, in line with our focus on expanding the subscriber base of Panorama TV, our Group has also developed a self-installation kit that allows users to access Panorama TV across multiple devices, including mobile phones, smart televisions, or older television models via a specially designed mobile application. These initiatives are expected to contribute increasingly to our revenue and would, in turn, drive earnings growth for our Group; and

- (iii) our Group's continued efforts to expand our other existing business segments, which includes the following:-
 - (a) rental and hotel segment – our Group continues to increase our marketing efforts through various online travel platforms and promotional campaigns to promote our hotel as well as leveraging on our AI-driven pricing technology to further improve occupancy rates from an average occupancy rate of approximately 51.65% in 2025 to approximately 63.20% over the next year, and optimise revenue per available room;
 - (b) system integration segment – our Group has secured a new customer in the telecommunications sector in Sarawak for the deployment and provision of our security monitoring services across the customer's telecommunications towers for a duration of 3 years with an average contract value of RM0.84 million per annum. Currently, our Group is in the process of expanding coverage to all towers owned and operated by the customer. Given the extensive network of towers, our Group anticipates this initiative to provide a sustainable contribution to our revenue in the long-term; and
 - (c) concession and construction segment – our Group continues to manage and maintain the Training Institute or Centre of Excellence for Engineering and Technology (CREaTE) of Jabatan Kerja Raya (JKR) under the concession granted, which has a remaining concession period of 5 years expiring in August 2031. Notwithstanding thereof, our Group currently does not have any other ongoing tenders or concession or construction projects under this segment.

With the initiatives undertaken above, our Group expects to generate higher revenue and improved earnings performance in the near term, supported by stronger market penetration, growing demand for our services and operational efficiencies across all business segments.

11. HISTORICAL PRICES

The monthly highest and lowest transacted market prices of Digistar Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from February 2025 to January 2026 are as follows:-

	High (RM)	Low (RM)
<u>2025</u>		
February	0.060	0.045
March	0.055	0.045
April	0.065	0.035
May	0.055	0.040
June	0.050	0.035
July	0.045	0.035
August	0.045	0.030
September	0.040	0.030
October	0.060	0.035
November	0.065	0.045
December	0.060	0.045
<u>2026</u>		
January	0.055	0.035
Last transacted market price of Digistar Shares as at 16 January 2026, being the last trading date prior to the announcement of the Proposed Private Placement (RM)		0.050
Last transacted market price of Digistar Shares as at the LPD (RM)		0.050

(Source: Bloomberg)

The monthly highest and lowest transacted market prices of Warrants C as traded on Bursa Securities for the past 12 months preceding the date of this Circular from February 2025 to January 2026 are as follows:-

	High (RM)	Low (RM)
<u>2025</u>		
February	0.015	0.005
March	0.005	0.005
April	0.010	0.005
May	0.005	0.005
June	0.005	0.005
July	0.005	0.005
August	0.005	0.005
September	0.005	0.005
October	0.005	0.005
November	0.005	0.005
December	0.005	0.005
<u>2026</u>		
January	0.005	0.005
Last transacted market price of Warrants C as at 16 January 2026, being the last trading date prior to the announcement of the Proposed Private Placement (RM)		0.005
Last transacted market price of Warrants C as at the LPD (RM)		0.005

(Source: Bloomberg)

The monthly highest and lowest transacted market prices of Warrants D as traded on Bursa Securities for the past 12 months preceding the date of this Circular from February 2025 to January 2026 are as follows:-

	High (RM)	Low (RM)
<u>2025</u>		
February	0.020	0.010
March	0.015	0.010
April	0.025	0.010
May	0.025	0.010
June	0.015	0.010
July	0.015	0.010
August	0.010	0.005
September	0.010	0.005
October	0.020	0.010
November	0.020	0.010
December	0.015	0.005
<u>2026</u>		
January	0.015	0.005
Last transacted market price of Warrants D as at 16 January 2026, being the last trading date prior to the announcement of the Proposed Private Placement (RM)		0.005
Last transacted market price of Warrants D as at the LPD (RM)		0.005

(Source: Bloomberg)

12. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY

The Proposed Private Placement is subject to and conditional upon the following approvals being obtained:-

- (i) Bursa Securities for the listing of and quotation for up to 212,753,290 Placement Shares on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 23 February 2026 and is subject to the following conditions:-

Condition(s)	Status of compliance
(a) Digistar and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied
(b) Digistar is required to furnish Bursa Securities with a certified true copy of the resolutions passed by its shareholders at a general meeting for the Proposed Private Placement;	To be complied
(c) Digistar and UOBKH are required to inform Bursa Securities upon completion of the Proposed Private Placement;	To be complied
(d) Digistar is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and	To be complied

Condition(s)	Status of compliance
(e) UOBKH is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new Shares to be issued pursuant to the Proposed Private Placement.	To be complied

- (ii) our shareholders for the Proposed Private Placement and the proposed allocation of up to 70,917,763 Placement Shares to LWC Capital at the forthcoming EGM.

The Proposed Private Placement is not conditional upon any other corporate exercises undertaken or to be undertaken by Digistar.

13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Private Placement, there are no other outstanding proposals announced by us but not yet completed prior to the date of this Circular.

14. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save for the Interested Parties (as defined and disclosed below), none of the Directors, major shareholders, chief executive of our Company and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Private Placement:-

- (i) LWC Capital, our major shareholder, is deemed interested in the Proposed Private Placement by virtue of it being the placee of the Proposed Private Placement;
- (ii) Datuk Wira Lee Wah Chong, our Group Managing Director and major shareholder, is deemed interested in the Proposed Private Placement by virtue of his directorship and shareholdings in LWC Capital. He is the father of Lee Jin Jean and Lee Chun Szen and the brother of Lee Mey Ling;
- (iii) Lee Jin Jean, our Executive Director and shareholder, is deemed interested in the Proposed Private Placement by virtue of her directorship and shareholdings in LWC Capital. She is the daughter of Datuk Wira Lee Wah Chong, sister of Lee Chun Szen and niece of Lee Mey Ling;
- (iv) Lee Chun Szen, our Executive Director and shareholder, is deemed interested in the Proposed Private Placement by virtue of his shareholdings in LWC Capital. He is the son of Datuk Wira Lee Wah Chong, brother of Lee Jin Jean and nephew of Lee Mey Ling; and
- (v) Lee Mey Ling, our Executive Director and shareholder, is deemed interested in the Proposed Private Placement by virtue of her directorship in LWC Capital. She is the sister of Datuk Wira Lee Wah Chong and aunt of Lee Jin Jean and Lee Chun Szen.

(LWC Capital, Datuk Wira Lee Wah Chong, Lee Jin Jean, Lee Chun Szen and Lee Mey Ling are collectively referred to as the “**Interested Shareholders**”. Datuk Wira Lee Wah Chong, Lee Jin Jean, Lee Chun Szen and Lee Mey Ling are collectively referred to as the “**Interested Directors**”. The Interested Shareholders and Interested Directors are collectively referred to as the “**Interested Parties**”).

The direct and indirect shareholdings of the Interested Parties in Digistar as at the LPD are as follows:-

	Direct		Indirect	
	No. of Shares	(¹)%	No. of Shares	(¹)%
LWC Capital	174,111,556	27.75	-	-
Datuk Wira Lee Wah Chong	7,059,600	1.13	⁽²⁾ 174,330,602	27.78
Lee Jin Jean	109,523	0.02	-	-
Lee Chun Szen	109,523	0.02	-	-
Lee Mey Ling	83,333	0.01	-	-

Notes:-

(1) Based on the existing issued share capital comprising 627,481,666 Shares (excluding 2,457,602 treasury shares held by our Company) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in LWC Capital pursuant to Section 8 of the Act and the shareholdings of his son and daughter pursuant to Section 59(11)(c) of the Act.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings in relation to the Proposed Private Placement. The Interested Parties will also abstain from voting, in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.

In addition, the Interested Parties have undertaken to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.

15. DIRECTORS' STATEMENT/RECOMMENDATION

Our Board (save for the Interested Directors), having considered all aspects of the Proposed Private Placement, including but not limited to the rationale and justification as well as the financial effects of the Proposed Private Placement as set out in **Section 3** and **Section 5** of this Circular respectively, is of the opinion that the Proposed Private Placement is in the best interest of our Company.

Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.

16. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the required approvals being obtained, the Proposed Private Placement is expected to be completed by the 2nd quarter of 2026.

17. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Level 1, Imperial Heritage Hotel Melaka, No. 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia on Tuesday, 17 March 2026 at 12.00 p.m., or immediately following the conclusion or adjournment of the Twenty-Third Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolutions to give effect to the Proposed Private Placement.

If you are unable to attend, speak and vote in person at the forthcoming EGM, please complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, which Proxy Form shall be deposited at our registered office at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time and date stipulated for the holding of the EGM or any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The lodging of the Proxy Form will not prevent you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

18. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

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

DATO' SRI ZOHARI BIN AKOB
Independent Non-Executive Chairman

DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY

Our Company has undertaken the following equity fund-raising exercises since 2016 up to the LPD:-

1. Private Placement 2016

Our Company had, on 16 February 2016, announced to undertake the proposed private placement of up to 10% of the total number of issued Digistar Shares (excluding treasury shares) ("**Private Placement 2016**") and has placed out 45,604,000 new Digistar Shares at an issue price of RM0.1430 per new Digistar Share, raising total gross proceeds of approximately RM6.52 million. The Private Placement 2016 was completed on 23 March 2016.

The status of the utilisation of the said gross proceeds raised from the Private Placement 2016 is set out below:-

Details of utilisation	Timeframe for utilisation	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Working capital ⁽¹⁾	Within 24 months from receipt of funds	3,613 (minimum scenario) and 6,727 (maximum scenario)	2,381	⁽³⁾ 2,452
Partial repayment of term loans ⁽²⁾	Within 12 months from receipt of funds	4,000	4,000	4,000
Estimated expenses in relation to the Private Placement 2016 ⁽³⁾	Upon the completion of the Private Placement 2016	140	140	69
Total		7,753 (minimum scenario) and 10,867 (maximum scenario)	6,521	6,521

Notes:-

- (1) *The proceeds of approximately RM2.45 million has been fully utilised for the working capital requirements of our Group (all of which were channelled towards the repayment to trade and other creditors (which include payments to contractors, suppliers and consultants)).*
- (2) *The proceeds of RM4.00 million has been fully utilised for the partial repayment of our Group's bank borrowings, resulting in interest savings of approximately RM0.28 million based on an interest rate of 6.91% per annum.*
- (3) *The proceeds of approximately RM0.07 million has been utilised for the estimated expenses in relation to the Private Placement 2016 which consist of professional fees, fees payable to authorities, placement fee and other miscellaneous expenses. Given that the actual expenses for the Private Placement 2016 was lower than the estimated expenses, the balance unutilised proceeds of approximately RM0.07 million was subsequently channelled to working capital and was fully utilised.*

For clarification purposes, all the proceeds raised from the Private Placement 2016 have been fully utilised as proposed. Please refer to the announcements of Digistar dated 16 February 2016, 19 February 2016 and 11 March 2016 for further details of the Private Placement 2016.

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**
2. Private Placement 2017

Our Company had, on 15 September 2017, announced to undertake the proposed private placement of up to 10% of the total number of issued Digistar Shares (excluding treasury shares) (“**Private Placement 2017**”) and has placed out 59,178,700 new Digistar Shares at an issue price of RM0.1386 per new Digistar Share, raising total gross proceeds of approximately RM8.20 million. The Private Placement 2017 was completed on 31 October 2017.

The status of the utilisation of the said gross proceeds raised from the Private Placement 2017 is set out below:-

Details of utilisation	Timeframe for utilisation	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Partial repayment of bank borrowings ⁽¹⁾	Within 3 months from receipt of funds	3,700	3,700	3,700
Expansion of central monitoring security services segment ⁽²⁾	Within 12 months from receipt of funds	4,485 (minimum scenario) and 5,625 (maximum scenario)	4,402	4,402
Estimated expenses in relation to the Private Placement 2017 ⁽³⁾	Upon the completion of the Private Placement 2017	100	100	100
Total		8,285 (minimum scenario) and 9,425 (maximum scenario)	8,202	8,202

Notes:-

- (1) The proceeds of RM3.70 million has been fully utilised for the partial repayment of our Group's bank borrowings, resulting in interest savings of approximately RM0.19 million based on an interest rate of 5.08% per annum.
- (2) The proceeds of approximately RM4.40 million has been fully utilised for the expansion of our Group's central monitoring security services segment in the following manner:-

Item	Purpose of utilisation of proceeds	Proposed utilisation (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
(a)	Setup cost for additional sales and support centres	Up to 1,320	1,000	1,000
(b)	Purchase of inventory for central monitoring security systems	Up to 2,400	2,400	2,400
(c)	Installation of software and hardware for central monitoring station command centres and implementation of customer relationship management (“CRM”) system	Up to 1,900	1,002	1,002
	Total	Up to 5,620	4,402	4,402

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**

- (a) *The proceeds of RM1.00 million has been fully utilised to defray the costs for setting up 3 additional sales and support centres for the central monitoring security system which is located at Penang, Ipoh and Johor Bahru. The setup up cost in relation to the sales and support centre includes renovation work, operations and administrative expenses, including but not limited to staff salaries and marketing expenses. The setting up of the 3 additional sales and support centres was completed in 2018 and commenced operations in the same year.*
- (b) *The proceeds of RM2.40 million has been fully utilised to purchase inventory products of the security systems for our Group's additional sales and support centres upon full operation in 2018.*
- (c) *The proceeds of approximately RM1.00 million has been fully utilised to install new software and hardware system for the application of Panther Mobile products as well as CRM system for our Group. The said installation was completed in 2018.*
- (3) *The proceeds of RM0.10 million has been fully utilised for the estimated expenses in relation to the Private Placement 2017 which consist of professional fees (i.e. adviser and placement agent fees), placement fees, fees payable to authorities and other incidental expenses in relation to the Private Placement 2017.*

For clarification purposes, all the proceeds raised from the Private Placement 2017 have been fully utilised as proposed. Please refer to the announcements of Digistar dated 15 September 2017 and 20 September 2017 for further details of the Private Placement 2017.

3. Private Placement 2020

Our Company had, on 21 January 2020, announced to undertake the proposed private placement of up to 20% of the total number of issued Digistar Shares (excluding treasury shares) ("**Private Placement 2020**") and has placed out 130,193,265 new Digistar Shares at an issue price of RM0.02 per new Digistar Share, raising total gross proceeds of approximately RM2.60 million. The Private Placement 2020 was completed on 7 April 2020.

The status of the utilisation of the said gross proceeds raised from the Private Placement 2020 is set out below:-

Details of utilisation	Timeframe for utilisation	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Business expansion ⁽¹⁾	Within 12 months from receipt of funds	3,300	1,231	1,231
General working capital ⁽²⁾	Within 12 months from receipt of funds	1,187 (minimum scenario) and 1,773 (maximum scenario)	1,173	1,173
Estimated expenses in relation to the Private Placement 2020 ⁽³⁾	Upon the completion of the Private Placement 2020	200	200	200
Total		4,687 (minimum scenario) and 5,273 (maximum scenario)	2,604	2,604

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**
Notes:-

- (1) *The proceeds of approximately RM1.23 million has been utilised for our Group's central monitoring system ("CMS") business expansion in the following manner:-*

Item	Details of utilisation	Proposed utilisation (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
(a)	Upgrading of CMS	1,500	300	300
(b)	Expansion of CMS command centre	1,200	331	331
(c)	Marketing and advertising	600	600	600
	Total	3,300	1,231	1,231

- (a) *The proceeds of approximately RM0.30 million has been fully utilised to upgrade our Company's CMS (also commercially known as Panther 911) which entails amongst others, investing in software and hardware to enhance the security and data analytics capability of CMS, and also to increase the capacity of CMS. Accordingly, our Group has acquired security software suites and security risk management solutions, router and server equipment, as well as data analytic software/solutions in 2020. The investment in security software and router and server equipment is in line with our Group's plan to increase our subscriber base, which in turn requires more cyber security protection and higher capacity upkeep. Our Group has also acquired data analytic software/solutions as means to innovate our CMS by applying AI technology (i.e. data mining/sorting, predictive modelling and anomaly detection).*
- (b) *The proceeds of approximately RM0.33 million has been fully utilised to expand the CMS command centre which mainly entails the cost for setting up command centre including renovation work, mobilisation cost (i.e. installation and moving-in cost), and operations and administrative expenses.*
- (c) *The proceeds of RM0.60 million has been fully utilised on marketing and advertising costs which entail amongst others, distribution costs, agent commissioning fees, participating in and/or organising trade shows/events/exhibitions, and investment in digital marketing and advertising to generate awareness of Panther 911 and Panther Mobile to the community and potential customers.*
- (2) *The proceeds of approximately RM1.17 million has been fully utilised for the working capital requirements of our Group (all of which were channelled towards the repayment to trade creditors and suppliers).*
- (3) *The proceeds of RM0.20 million has been fully utilised for the estimated expenses in relation to the Private Placement 2020 which consist of professional fees (i.e. adviser and placement agent fees), placement fees, fees payable to authorities and other incidental expenses in relation to the Private Placement 2020.*

For clarification purposes, all the proceeds raised from the Private Placement 2020 have been fully utilised as proposed. Please refer to the announcement of Digistar dated 21 January 2020 and circular issued to our shareholders dated 26 February 2020 for further details of the Private Placement 2020.

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**
4. Rights Issue 2021

Our Company had, on 10 February 2021, announced to undertake the proposed rights issue of up to 287,518,911 new Digistar Shares (“**Rights Share(s)**”) on the basis of 1 Rights Share for every 3 existing Digistar Shares held together with up to 287,518,911 Warrants C on the basis of 1 Warrant C for every 1 Rights Share subscribed by the entitled shareholders (“**Rights Issue 2021**”). A total of 260,384,403 Rights Shares were issued at the issue price of RM0.05 per Rights Share and 260,384,403 Warrants C were issued at the exercise price of RM0.10 per Warrant C (which was subsequently adjusted to RM0.30 per Warrant C pursuant to the consolidation of every 3 existing Digistar Shares into 1 Digistar Share which was completed on 31 May 2022). The Rights Issue 2021 has raised total gross proceeds of approximately RM13.02 million. The Rights Issue 2021 was completed on 1 June 2021.

The status of the utilisation of the said gross proceeds raised from the Rights Issue 2021 is as follows:-

Details of utilisation	Timeframe for utilisation	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Business expansion of the hospitality segment ⁽¹⁾	Within 24 months from receipt of funds	1,364 (minimum scenario) and 6,076 (maximum scenario)	4,719	⁽¹⁾ -
Working capital ⁽²⁾	Within 12 months from receipt of funds	1,600 (minimum scenario) and 5,800 (maximum scenario)	5,800	⁽¹⁾⁽⁴⁾ 10,709
Repayment of bank borrowings ⁽³⁾	Within 3 months from receipt of funds	Up to 2,000	2,000	2,000
Estimated expenses in relation to the Rights Issue 2021 ⁽⁴⁾	Within 1 month from receipt of funds	500	500	⁽⁴⁾ 310
Total		3,464 (minimum scenario) and 14,376 (maximum scenario)	13,019	13,019

Notes:-

(1) Our Group has allocated approximately RM4.72 million of the proceeds from the Rights Issue 2021 to part finance our hospitality business expansion plans (“**Hospitality Business Expansion Plans**”) which entails, amongst others, the following:-

- (a) acquisition of suitable properties which are strategically located in Wilayah Persekutuan, Selangor, Melaka or such other locations that our Management deems strategic for our hospitality operations;
- (b) potential partnership/joint venture with strategic partners to jointly acquire, refurbish, rebrand and operate the new hotel; or
- (c) explore to construct the hotel on the existing vacant land bank held by our Group, which are primarily located in Selangor and Melaka, subject to feasibility study to be undertaken by our Group.

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**

However, our Management was unable to identify any strategic acquisitions or implement the Hospitality Business Expansion Plans within 2 years from the completion of the Rights Issue 2021 (i.e. 1 June 2021 up to 1 June 2023). Our Management had decided to put the Hospitality Business Expansion Plans on hold as our Company was unable to identify suitable property (in terms of size, layout and ideal range of market property prices) or strategic partners. The balance unutilised proceeds of approximately RM4.72 million (which represents approximately 36.25% of the total proceeds raised) was hence subsequently channelled towards working capital (in accordance with the utilisation of proceeds as disclosed in the circular issued to our shareholders dated 12 March 2021) and was fully utilised in June 2023.

- (2) *The proceeds of approximately RM10.71 million (which includes the balance unutilised proceeds of approximately RM4.72 million reallocated from the proceeds allocated for the Hospitality Business Expansion Plans) has been fully utilised for the working capital requirements of our Group (all of which were channelled towards the repayment to trade creditors and suppliers of our Group).*
- (3) *The proceeds of RM2.00 million has been fully utilised for the partial repayment of our Group's bank borrowings, resulting in interest savings of approximately RM0.12 million based on an interest rate of 5.81% per annum.*
- (4) *The proceeds of approximately RM0.31 million has been utilised for the estimated expenses in relation to the Rights Issue 2021 which consist of professional fees (i.e. principal adviser, solicitors, company secretary and share registrar), fees payable to authorities and contingencies and other incidental expenses in relation to the Rights Issue 2021. Given that the actual expenses for the Rights Issue 2021 was lower than the estimated expenses, the balance unutilised proceeds of approximately RM0.19 million was subsequently channelled to working capital and was fully utilised.*

For clarification purposes, save for the proceeds of approximately RM4.72 million earmarked for the Hospitality Business Expansion Plans as set out in Note (1) above, all the proceeds raised from the Rights Issue 2021 have been fully utilised as proposed. Please refer to the announcement of Digistar dated 10 February 2021, the circular issued to our shareholders dated 12 March 2021 and the abridged prospectus of Digistar dated 3 May 2021 for further details of the Rights Issue 2021.

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**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**
5. Private Placement 2022

Our Company had, on 18 October 2022, announced to undertake the proposed private placement of up to 30% of the total number of issued Digistar Shares (excluding treasury shares) (“**Private Placement 2022**”) and has placed out 104,153,806 new Digistar Shares at an issue price of RM0.063 per new Digistar Share, raising total gross proceeds of approximately RM6.56 million. The Private Placement 2022 was completed on 12 January 2023.

The status of the utilisation of the said gross proceeds raised from the Private Placement 2022 is set out below:-

Details of utilisation	Timeframe for utilisation	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Working capital ⁽¹⁾	Within 12 months from receipt of funds	6,174 (minimum scenario) and 6,240 (maximum scenario)	3,362	3,389
Repayment of bank borrowings ⁽²⁾	Within 12 months from receipt of funds	3,000	3,000	3,068
Estimated expenses for the Private Placement 2022 ⁽³⁾	Within 1 month from receipt of funds	200	200	105
Total		9,374 (minimum scenario) and 9,440 (maximum scenario)	6,562	6,562

Notes:-

- (1) *The proceeds of approximately RM3.39 million has been fully utilised for the working capital requirements of our Group (all of which were channelled towards the repayment to trade creditors and suppliers).*
- (2) *The proceeds of approximately RM3.07 million has been fully utilised for the partial repayment of our Group's bank borrowings, resulting in interest savings of approximately RM0.18 million based on an interest rate of 5.81% per annum.*
- (3) *The proceeds of approximately RM0.11 million has been fully utilised for the estimated expenses in relation to the Private Placement 2022 which consist of professional fees (i.e. principal adviser, placement agent, solicitors, company secretary and share registrar), fees payable to authorities, and contingencies and other incidental expenses in relation to the Private Placement 2022.*

For clarification purposes, all the proceeds raised from the Private Placement 2022 have been fully utilised as proposed. Please refer to the announcement of Digistar dated 18 October 2022 and circular issued to our shareholders dated 25 November 2022 for further details of the Private Placement 2022.

**DETAILS OF PAST EQUITY FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY
(CONT'D)**
6. Private Placement 2024

Our Company had, on 24 September 2024, announced to undertake the Private Placement 2024 and had placed out 78,700,000 and 63,855,053 new Digistar Shares at an issue price of RM0.0406 and RM0.0427 per new Digistar Share, respectively, raising total gross proceeds of approximately RM5.92 million. The Private Placement 2024 was completed on 17 January 2025.

The details on the utilisation of the gross proceeds raised from the Private Placement 2024 as at the LPD are set out as follows:-

Details of utilisation	Timeframe for utilisation of proceeds	Target proceeds to be raised (RM'000)	Proceeds raised (RM'000)	Actual amount utilised (RM'000)
Business expansion on the provision of internet television services segment ⁽¹⁾	Within 24 months from receipt of funds	7,145 (minimum scenario) and 8,599 (maximum scenario)	5,572	5,572
Repayment of bank borrowings ⁽²⁾	Within 12 months from receipt of funds	230	230	230
Expenses for the Private Placement 2024 ⁽³⁾	Within 1 month from receipt of funds	180	120	120
Total		7,555 (minimum scenario) and 9,009 (maximum scenario)	5,922	5,922

Notes:-

- (1) Our Group had utilised approximately RM5.57 million of the proceeds raised from the Private Placement 2024 to fund the expansion of the business of Panorama TV. The proceeds had been utilised for the purchase of 6,000 android decoder boxes, the purchase and subscription of 30 new contents and channels, marketing campaigns (including participation in conferences, exhibitions and general meetings held by Malaysia Budget Hotel Association (myBHA), Malaysia Association of Hotel (MAH), Malaysia Association of Hotel Owners (MAHO) and Association of Private Hospitals, Malaysia (APHM) and targeted advertising campaigns through email and social media platforms) to promote Panorama TV and the hiring of 5 new staff to support the operations of Panorama TV.
- (2) Our Group had utilised approximately RM0.23 million of the proceeds raised from the Private Placement 2024 for the repayment of our Group's bank borrowings, resulting in interest savings of approximately RM0.12 million based on an interest rate of 4.52% per annum.
- (3) Our Group had utilised approximately RM0.12 million of the proceeds raised from the Private Placement 2024 for the expenses in relation to the Private Placement 2024, which consists of professional fees (i.e. principal adviser, placement agent, solicitors, company secretary and share registrar), fees payable to regulators as well as contingencies and other incidental expenses.

For clarification purposes, all the proceeds raised from the Private Placement 2024 have been fully utilised as proposed. Please refer to the announcement of Digistar dated 24 September 2024 and circular issued to the shareholders of Digistar dated 6 November 2024 for further details of the Private Placement 2024.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and they collectively and individually 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 or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

UOBKH, being the Principal Adviser for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Proposed Private Placement.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

5. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

6. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

FURTHER INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the constitution of our Company;
- (ii) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 30 September 2025; and
- (iii) the letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix II**.

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DIGISTAR CORPORATION BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Digistar Corporation Berhad (“**Digistar**” or the “**Company**”) will be held at Level 1, Imperial Heritage Hotel Melaka, No. 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia on Tuesday, 17 March 2026 at 12.00 p.m., or immediately following the conclusion or adjournment of the Twenty-Third Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modification, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF DIGISTAR (“PROPOSED PRIVATE PLACEMENT”)

“**THAT**, subject to all approvals being obtained from all relevant authorities and/or parties, if applicable, approval and authority are hereby given to the Board of Directors of the Company (“**Board**”) to issue and allot up to 212,753,290 new ordinary shares in Digistar (“**Digistar Share(s)**” or “**Share(s)**”) (“**Placement Share(s)**”), representing up to approximately 30% of the total number of issued Digistar Shares;

THAT, approval be and is hereby given to the Board to determine the issue price for each tranche of the Placement Shares at a later date based on a discount of not more than 10% to the 5-day volume weighted average market price (“**VWAP**”) of Digistar Shares up to and including the last trading day immediately prior to the price-fixing date for each tranche;

THAT, the Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing Digistar Shares, save and except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the said Placement Shares;

THAT, the Board be and is hereby authorised to utilise the proceeds raised from the Proposed Private Placement for such purposes and in such manner as set out in **Section 2.6** of the circular to shareholders dated 27 February 2026 (“**Circular**”) and the Board be and is hereby authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT, the Board be and is hereby authorised to take all necessary steps to give effect to the Proposed Private Placement with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement.”

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF UP TO 70,917,763 PLACEMENT SHARES TO LWC CAPITAL SDN BHD (“PROPOSED ALLOCATION”)

“**THAT** subject to the passing of Ordinary Resolution 1 and approvals being obtained from all relevant authorities and/or parties (where required), approval and authority are hereby given to the Board (save for the interested Directors) at any time and from time to time to allot and issue up to 70,917,763 Placement Shares to LWC Capital Sdn Bhd, being the major shareholder of Digistar, at an issue price of not more than 10% discount to the 5-day VWAP of Digistar Shares immediately preceding the price-fixing date.”

By Order of the Board,
DIGISTAR CORPORATION BERHAD

WONG YOUN KIM (MAICSA 7018778)
SSM Practising Certificate No. 201908000410
Company Secretary

Selangor Darul Ehsan
27 February 2026

Notes:-

1. *For the purpose of determining a member who shall be entitled to attend and vote at the EGM, the Company shall be requesting the Record of Depositors as at 10 March 2026. Only a depositor whose name appears on the Record of Depositors as at 10 March 2026 shall be entitled to attend and vote at the said EGM as well as for appointment of proxy(ies) to attend and vote in his/her stead.*
2. *A member entitled to attend, speak and vote at the EGM 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 (1) 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 (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
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 Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan or alternatively, to submit the Proxy Form electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> not less than twenty-four (24) hours before the time appointed for holding the EGM or adjourned EGM 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 two (2) authorised officers, of whom one (1) 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.*

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.



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 Extraordinary General Meeting (“EGM”) of the Company to be held at Level 1, Imperial Heritage Hotel Melaka, No. 1, Jalan Merdeka 1, Taman Melaka Raya, 75000 Melaka, Malaysia on Tuesday, 17 March 2026 at 12.00 p.m., or immediately following the conclusion or adjournment of the Twenty-Third Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is later.

*My/our proxy is to vote as indicated below:

		FOR	AGAINST
ORDINARY RESOLUTION 1	Proposed Private Placement		
ORDINARY RESOLUTION 2	Proposed Allocation		

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

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

*Delete where applicable

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

Signed this _____ day of _____ 2026

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		

Signature/Common Seal of Member

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- 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 Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan or alternatively, to submit the Proxy Form electronically via Vistra Share Registry and IPO (MY) portal at <https://srmv.vistra.com> not less than twenty-four (24) hours before the time appointed for holding the EGM or adjourned EGM 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.
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AFFIX
STAMP

DIGISTAR CORPORATION BERHAD

COMPANY SECRETARY

SYNERGY PROFESSIONALS GROUP SDN BHD
Unit 11.07, Amcorp Tower, Amcorp Trade Centre
18, Persiaran Barat
46050 Petaling Jaya
Selangor Darul Ehsan

2nd Fold Here

Fold This Flap For Sealing