

DIGISTAR CORPORATION BERHAD

(Company No. 603652-K)

(Incorporated in Malaysia)

MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT KASTURI ROOM, LEVEL 1, DE PALMA HOTEL AMPANG, JALAN SELAMAN 1/2, PALM SQUARE, JALAN AMPANG, 68000 AMPANG, SELANGOR DARUL EHSAN ON TUESDAY, 19 MARCH 2019 AT 10.00 A.M.

Present	:	As per Attendance List
Chairman	:	Tan Sri Dato' Ir. Hj. Zaini Bin Omar
In Attendance	:	Wong Youn Kim - Company Secretary
By Invitation	:	As per Attendance List

1. CHAIRMAN

- 1.1 Tan Sri Dato' Ir. Hj. Zaini Bin Omar as Chairman of the Board chaired the meeting.

2. QUORUM FOR THE MEETING

- 2.1 Upon the confirmation of the Secretary that the requisite quorum being present. The Chairman called the meeting to order and welcomed all present to the Sixteenth Annual General Meeting ("AGM") of the Company.

3. NOTICE OF MEETING

- 3.1 The notice of meeting dated 31 January 2019 was taken as read without any objection from the members and proxies.
- 3.2 The Secretary briefed the meeting on the procedures of the meeting and voting for the proposed Nine (9) ordinary resolutions and One (1) Special Resolution as set out in the notice of meeting.
- 3.3 The Secretary briefed the meeting that pursuant to the Listing Requirements of Bursa Malaysia, any resolution set out in the notice of any general meeting or notice of resolution will be voted by poll to be taken at the end of the meeting.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

- 4.1 The audited financial statements for the financial year ended 30 September 2018 together with the reports of the directors and auditors thereon were laid before the meeting pursuant to Section 340(1)(a) of the Companies Act, 2016.

- 4.2 The Chairman invited questions pertaining to the financial statements from the members and proxies.
- 4.3 Mr. Pillay opined that the Company should provide breakfast, voucher and free parking to the Shareholders who attend the Annual General Meeting of the Company. To that, the Management replied that lunch will be served to the shareholders after the conclusion of the AGM.
- 4.4 Mr. Muni raised his concerns over the segmentation of System Engineering and Integration and Central Monitoring System (“CMS”) of the Company which had incurred net loss of RM14.3 million and RM3.7 million respectively. Besides that, the net profit of Hotel Management division was low and needs to be improved.
- 4.5 Mr. Muni inquired the Board for the future planning of the Company to increase the profitability of these segments. In reply to the Mr. Muni’s enquiry, Mejar (K) Datuk Wira Lee Wah Chong (“Datuk Wira”) answered that there are many competitors for Hotel Management division in Malacca. Datuk Wira informed shareholders that the Management planned to build a bigger children play ground to increase revenue of Hotel Management division. Datuk Wira further informed the shareholders that the Management planned to convert 100 rooms to high entertainment rooms and increase the capacity of ballrooms. He further explained that customers are reluctant to set alarm system, so it affected the performance of CMS division.
- 4.6 Mr. Muni raised his concerns on the trade receivables of the Company. Datuk Wira emphasized that the Management is taking legal action to recover the trade receivables.
- 4.7 Mr. Muni highlighted to the Board that the warrants of the Company will be expiring in 4 years time, but the current share price of the Company is low. The warrants were issued by the Company with costs and thence not beneficial to the warrant holders.
- 4.8 Mr. Lee opined that the Company needs to stand out from other competitors to generate more revenue. Datuk Wira informed the shareholder that the Company had diversified its business into different segments.
- 4.9 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman declared that the audited financial statements for the financial year ended 30 September 2018 and the reports therein be and were hereby received pursuant to Section 340(1)(a) of the Companies Act, 2016.
5. **TO APPROVE THE PAYMENT OF DIRECTORS’ FEES AND BENEFITS OF RM213,800 IN RESPECT OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 RESPECTIVELY**
- 5.1 The Chairman informed the meeting that the next item on the agenda was to approve the payment of Directors’ fees and benefits for the financial year ended 30 September 2018.

- 5.2 On the proposal of Rozilawati Mustafa and seconded by Mr. Poravi, the Chairman put the following motion to the meeting for approval:-

“THAT the payment of Directors’ fees and benefits amounting to RM213,800.00 for the financial year ended 30 September 2018 of the Company be and are hereby approved.”

6. **TO APPROVE THE DIRECTORS’ FEES OF RM130,000 PAYABLE FOR THE PERIOD FROM 1 MARCH 2019 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY.**

- 6.1 The Chairman informed the meeting that the next item on the agenda was to approve the payment of Directors’ fees up to RM130,000.00 for the period from 1 March 2019 until the conclusion of the next annual general meeting of the company.

- 6.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT the payment of Directors’ fees up to RM130,000.00 for the period from 1 March 2019 until the conclusion of the next annual general meeting of the company be and are hereby approved.”

7. **TO APPROVE THE PAYMENT OF DIRECTORS’ BENEFITS OF UP TO RM18,000 PAYABLE FOR THE PERIOD FROM 1 MARCH 2019 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY.**

- 7.1 The Chairman informed the meeting that the next item on the agenda was to approve the payment of directors’ benefits of up to RM18,000 for the period from 1 March 2019 until the conclusion of the next annual general meeting of the company.

- 7.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT the payment of directors’ benefits of up to rm18,000 for the period from 1 March 2019 until the conclusion of the next annual general meeting of the company be and are hereby approved.”

8. **RE-ELECTION OF DIRECTORS**

- 8.1 The Chairman informed the meeting that the following Directors retired by rotation pursuant to Articles 86 & 92 of the Company’s Articles of Association and being eligible, had offered themselves for re-election:-

- (a) Dato’ Haji Ishak Bin Haji Mohamed
- (b) Mr. Lee Chun Szen
- (c) Ms. Lee Mey Ling

- 8.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT Mejar (K) Datuk Wira Lee Wah Chong who is retiring in accordance with Article 86 of the Company’s Articles of Association be and is hereby re-elected as Director of the Company.”

- 8.3 On the proposal Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT Mr. Lee Chun Szen who is retiring in accordance with Article 86 of the Company’s Articles of Association be and is hereby re-elected as Director of the Company.”

- 8.4 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT Ms. Lee Mey Ling who is retiring in accordance with Article 92 of the Company’s Articles of Association be and is hereby re-elected as Director of the Company.”

9. RE-APPOINTMENT OF AUDITORS

- 9.1 The Chairman informed that the Company’s auditors, Messrs Mazars has indicated their willingness to continue in office as auditors of the Company for the ensuing year.

- 9.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT Messrs Mazars, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.”

SPECIAL BUSINESS

10. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 & 76 OF THE COMPANIES ACT, 2016

- 10.1 The Chairman informed the meeting that the next item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution authorising the Directors to allot and issue shares pursuant to Section 75 & 76 of the Companies Act, 2016 as set out in the notice for approval.

- 10.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT subject to the Companies Act, 2016, the Articles of Association of the

Company and the approval from the relevant authorities, where such approval is necessary, the Directors be and are hereby authorised, pursuant to Section 76 of the Companies Act, 2016 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued.”

11. To Proposed Renewal of Authority to Purchase Its Own Shares of Up To 10% of The Total Number of Issued Shares In The Company.

The Chairman informed the meeting that the next item on the agenda was to consider and if thought fit, to pass an Ordinary Resolution to renewal of authority to purchase its own shares of up to 10% of the total number of issued shares in the company as set out in the notice for approval.

11.2 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

“THAT the authority to purchase its own shares of up to 10% of the total number, which is as set out in the notice of meeting for your approval.

12. To Proposed Adoption Of New Constitution

The Chairman informed the meeting that the next item on the agenda was to consider and if thought fit, to pass a Special Resolution to adopt new Constitution as set out in the notice for approval.

12.1 On the proposal of Mr. Poravi and seconded by Mr. Dinesh, the Chairman put the following motion to the meeting for approval:-

12.2 “THAT approval be and is hereby given to revoke the existing constitution of the Company with immediate effect and in place thereof, the proposed new constitution of the Company be and is hereby adopted as the constitution of the Company”.

13. ANY OTHER BUSINESS

13.1 The Chairman invited the secretary to brief the meeting on the polling procedures where the whole polling process would be conducted in approximately 30 minutes with the declaration of the poll results. Tricor Investor & Issuing House Services Sdn. Bhd. would conduct the poll and Malaysia Issuing House was appointed as the independent scrutineer to verify the poll results.

14. **ANNOUNCEMENT OF POLL RESULTS**

14.1 The Chairman called the meeting to order at 11.40 a.m. for the declaration of results. He informed that he had received the poll results from Malaysia Issuing House, and he read out the following poll results to the members and proxies present:-

14.2 Resolution 1: To approve the payment of Directors' Fees and Benefits of RM213,800 in respect of the financial year ended 30 September 2018 respectively.

The Chairman announced the poll result in respect of Resolution 1 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1	190,309,818	99.971926	53,442	0.028074	-

The Chairman declared that Resolution 1 was duly passed.

14.3 Resolution 2: To approve the Directors' Fees of RM130,000 payable for the period from 1 March 2019 until the conclusion of the next annual general meeting of the Company

The Chairman announced the poll result in respect of Resolution 2 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 2	190,309,818	99.971926	53,442	0.028074	-

The Chairman declared that Resolution 2 was duly passed.

14.4 Resolution 3: To approve the of Directors' benefits of up to RM18,000 payable for the period from 1 March 2019 until the conclusion of the next Annual General Meeting of the Company.

The Chairman announced the poll result in respect of Resolution 3 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 3	190,309,818	99.971926	53,442	0.028074	-

The Chairman declared that Resolution 3 was duly passed.

- 14.5 Resolution 4: To Re-Elect Dato' Haji Ishak Bin Haji Mohamed Who Retires In Accordance With Article 86 Of The Company's Articles Of Association And Being Eligible, Offers Herself For Re-Election

The Chairman announced the poll result in respect of Resolution 4 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 4	190,324,818	99.977180	43,442	0.022820	-

The Chairman declared that Resolution 4 was duly passed.

- 14.6 Resolution 5: To re-elect Mr. Lee Chun Szen who retires in accordance with Article 86 of the Company's Articles of Association and being eligible, offers herself for re-election

The Chairman announced the poll result in respect of Resolution 5 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 5	190,324,818	99.977180	43,442	0.022820	-

The Chairman declared that Resolution 5 was duly passed.

- 14.7 Resolution 6: To re-elect Ms. Lee Mey Ling who retires in accordance with Article 92 of the Company's Articles of Association and being eligible, offers herself for re-election.

The Chairman announced the poll result in respect of Resolution 6 which was carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 6	190,324,818	99.977180	43,442	0.022820	-

The Chairman declared that Resolution 6 was duly passed.

14.8 Resolution 7: To Re-appoint Messrs. Mazars PLT as auditors of the company and to authorise the directors to fix their remuneration

The Chairman announced the poll result in respect of Resolution 7 which was unanimously carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 7	190,324,818	99.977180	43,442	0.022820	-

The Chairman declared that Resolution 7 was duly passed.

14.9 Resolution 8: To approve the Authority To Issue And Allot Shares Pursuant To Section 76 Of The Companies Act, 2016

The Chairman announced the poll result in respect of Resolution 8 which was unanimously carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 8	190,275,718	99.951388	92,542	0.048612	-

The Chairman declared that Resolution 8 was duly passed.

15.0 Resolution 9: To Proposed Renewal of Authority to Purchase Its Own Shares of Up To 10% of The Total Number of Issued Shares In The Company.

The Chairman announced the poll result in respect of Resolution 9 which was unanimously carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 9	190,352,668	99.991810	15,592	0.008190	-

The Chairman declared that Resolution 9 was duly passed.

15.1 Special Resolution 1: Proposed Adoption of New Constitution

The Chairman announced the poll result in respect of Special Resolution 1 which was unanimously carried as follows:-

Resolution	For		Against		Abstain
	No. of Shares	%	No. of Shares	%	
Special Resolution 1	190,368,118	99.999925	142	0.000075	-

The Chairman declared that Special Resolution 1 was duly passed.

16. **CLOSURE OF MEETING**

- 16.1 As there was no other matter to be discussed, for which due notice had been given in accordance with the Companies Act, 2016, the meeting concluded at 11.45 a.m. with a vote of thanks to the Chairman and the Board of Directors.

Confirmed as a correct record,

CHAIRMAN

Date: