



NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of Digistar Corporation Berhad will be held at Kasturi Room, Level 1, De Palma Hotel Ampang, Jalan Selaman ½, Palm Square, Jalan Ampang, 68000 Ampang, Selangor Darul Ehsan, on Tuesday, 19 March 2019 at 10 a.m. to transact the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the financial year ended 30 September 2018 together with the Directors' and Auditors' Report thereon. **(Refer to Explanatory Note 1)**
- To approve the payment of Directors' Fees and Benefits of RM213,800 in respect of the financial year ended 30 September 2018 respectively. **Ordinary Resolution 1 (Refer to Explanatory Note 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. **Ordinary Resolution 2 (Refer to Explanatory Note 2)**
- 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. **Ordinary Resolution 3 (Refer to Explanatory Note 2)**
- To re-elect the following Directors who retire in accordance with Article 86 of the Constitution of the Company:
  - Dato' Haji Ishak Bin Haji Mohamed **Ordinary Resolution 4 (Refer to Explanatory Note 3)**
  - Mr. Lee Chun Szen **Ordinary Resolution 5 (Refer to Explanatory Note 3)**
- To re-elect Ms. Lee Mey Ling who is retiring in accordance with Article 92 of the Constitution of the Company. **Ordinary Resolution 6 (Refer to Explanatory Note 4)**
- To re-appoint Messrs. Mazars PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

**AS SPECIAL BUSINESS**

**8. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

"THAT subject to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Ordinary Resolution 8 (Refer to Explanatory Note 5)**

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

**9. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY**

"THAT, subject always to the Companies Act 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of all the relevant authorities (if any), the Company be and is hereby authorised, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that: **Ordinary Resolution 9 (Please refer to explanatory Note 6)**

- The maximum aggregate number of shares which may be purchased and held by the Company must not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time ("Proposed Share Buy-Back");
- The maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company's retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
- The shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold or transfer on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and Listing Requirements from time to time.

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- The conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;
- The expiration of the period within which the next AGM of the Company is required by law to be held; or
- The authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

**10. SPECIAL RESOLUTION**

**PROPOSED ADOPTION OF NEW CONSTITUTION**

"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.

AND THAT the directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

**Special Resolution 1 (Refer to Explanatory Note 7)**

**ANY OTHER BUSINESS:**

- To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

**BY ORDER OF THE BOARD**

**WONG YOUN KIM (MAICSA 7018778)**  
Company Secretary

Kuala Lumpur  
31 January 2019

**Notes:**

- For the purpose of determining a member who shall be entitled to attend and vote at the 16th Annual General Meeting ("AGM"), the Company shall be requesting the Record of Depositors as at 13 March 2019. Only a depositor whose name appears on the Record of Depositors as at 13 March 2019 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.
- A member entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend, speak and vote in his/her stead. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 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.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
- 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 this proxy Form is signed under the hands of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the proxy Form.

**EXPLANATORY NOTES**

**a) Explanatory Note 1**

To receive the Audited Financial Statements for the financial year ended 30 September 2018

This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act"), the audited financial statements do not require a formal approval of the shareholders. Hence, this resolution will not be put forward for voting.

**b) Explanatory Note 2**

Directors' Fees and Benefits

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed with the Remuneration Committee's recommendation, that the shareholders' approval shall be sought at the 16th AGM on the following:

- 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.
- 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.
- 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.

Directors' fees

The Remuneration Committee ("RC") had reviewed the Directors' Fees and recommended to the Board that the Directors' fees for the financial year ended 30 September 2018 of up to RM160,000 per annum. The Board agreed with RC's recommendation that the Directors' fees are still competitive and at par with the prevailing market rate.

Directors' benefits

The Directors' benefits comprises allowances and other emoluments payable to the Chairman and members of the Board and Board Committees.

**c) Explanatory Note 3**

To re-elect Dato' Haji Ishak Bin Haji Mohamed and Mr. Lee Chun Szen who are retiring pursuant to Article 86 of the Constitution of the Company and being eligible, have offered themselves for re-election

Article 86 of the Constitution of the Company ("Constitution") provides that one-third (1/3) of the directors of the Company for the time being shall retire by rotation at an AGM of the Company. The Directors who are subject to retirement by rotation in accordance with Article 86 of the Constitution are Dato' Haji Ishak Bin Haji Mohamed and Mr. Lee Chun Szen (executive Director).

The Board has conducted assessments on Directors on character, integrity, competence, and experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. The Board agreed with NC's recommendation that the Directors who retire in accordance with Article 86 of the Constitution are eligible to stand for re-election. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

**d) Explanatory Note 4**

Article 92 of the Constitution of the Company provides amongst others, that the Board shall have the power to appoint any person to be a director to fill a casual vacancy or as an additional director to the existing Board, and that any director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Accordingly, Ms. Lee Mey Ling, the Executive Director who was appointed on 30 May 2018, shall hold office until the conclusion of the 16th AGM and shall then be eligible for re-election pursuant to Article 92 of the Constitution.

Ms. Lee Mey Ling had indicated her willingness to seek for re-election and has abstained from the deliberation and voting of her re-election at the Board Meeting. The Board having reviewed the re-election of Ms. Lee Mey Ling including her performance evaluation, recommended the same for the shareholders' approval.

**e) Explanatory Note 5**

Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The ordinary Resolution 8 is proposed to seek a renewal of general mandate for authority to issue shares pursuant to Sections 75 and 76 of the Act. If the resolution was passed, it will give the Directors of the Company from the date of the above meeting, authority to issue and allot shares for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general authority which was approved at the 15th Annual General Meeting held on 23 February 2018 and which will lapse at the conclusion of the 16th Annual General Meeting to be held on 19 March 2019.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

**f) Explanatory Note 6**

Proposed Renewal of Authority to purchase its own shares of up to 10% of the total number of issued shares in the Company

The proposed Ordinary Resolution 9 is to empower the Directors to buy-back and/or hold up to a maximum of 10% of the total number of the Company's issued shares at any point of time, by utilizing the amount allocated which shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available, subject to the Act, listing Requirements, any prevailing laws, orders, requirements, rules, regulations and guidelines issued by the relevant authorities at the time of purchase. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is the earlier.

Please refer to the Share Buy-back Statement as set out in the Annual Report of the Company for further information.

**g) Explanatory Note 7**

The Special Resolution, if passed, will align the Constitution of the Company with the Companies Act 2016 ("CA 2016") which came into force on 31 January 2017, the updated provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and the prevailing statutory and regulatory requirements as well as to provide clarity and consistency with the amendments that arise from the CA 2016 and MMLR. Please refer to Part A of the Circular to Shareholders dated 30 January 2019 for further information.