

NOTICE OF PROVISIONAL ALLOTMENT OF WARRANTS

The provisional allotment of Warrants, represented by this Notice of Provisional Allotment, is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") shall apply in respect of dealings in the provisional allotment of Warrants.



DIGISTAR CORPORATION BERHAD

(603652-K)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 90,040,325 WARRANTS, AT AN ISSUE PRICE OF RM0.01 PER WARRANT, TO THE SHAREHOLDERS OF DIGISTAR CORPORATION BERHAD ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY ("DIGISTAR SHARES") HELD AT 5.00 P.M. ON 22 DECEMBER 2006 ("RIGHTS ISSUE")

Adviser



HWANG-DBS SECURITIES BERHAD

(Company No.:14389-U)

(A Participating Organisation of Bursa Malaysia Securities Bhd)

To: Shareholders of Digistar Corporation Berhad ("Digistar" or the "Company")

Dear Sir/Madam,

The Board of Directors of Digistar has provisionally allotted to you, in accordance with the approval of Bank Negara Malaysia on 4 August 2006, the approval of the Securities Commission on 16 August 2006 and the Ordinary Resolution passed by the Company at the Extraordinary General Meeting convened on 15 November 2006, the number of Warrants as indicated below ("Provisional Allotment").

We wish to advise that the following Warrants provisionally allotted to you in respect of the Rights Issue have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("CDS") account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form dated 29 December 2006 issued by the Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 29 December 2006 issued by the Company. Bursa Malaysia Securities Berhad ("Bursa Securities") has already prescribed the Warrants of Digistar, which will be listed on the MESDAQ Market of Bursa Securities, to be deposited with Bursa Depository. Accordingly, the provisional allotment of the Warrants arising from the Rights Issue are prescribed securities and, as such, all dealings in the provisional allotment of the Warrants will be book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL THE WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE CREDITED INTO THE RESPECTIVE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL WARRANT CERTIFICATES WILL BE ISSUED, BUT NOTICES OF ALLOTMENT SHALL BE DESPATCHED.

THE BOARD OF DIRECTORS OF DIGISTAR RESERVES THE RIGHT TO ALLOT THE EXCESS WARRANTS, IF ANY, TO THE ENTITLED SHAREHOLDERS AND/OR RENOUNCEE(S) WHO HAVE APPLIED FOR EXCESS WARRANTS ON A FAIR AND EQUITABLE BASIS AND IN SUCH MANNER THAT THE INCIDENCE OF ODD LOTS WILL BE MINIMISED.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		
NUMBER OF DIGISTAR SHARES HELD AT 5.00 P.M. ON 22 DECEMBER 2006	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.01 PER WARRANT (RM)

IMPORTANT RELEVANT DATES AND TIME		
Entitlement or record date	:	22 December 2006 at 5.00 p.m.
Last date and time for sale of Provisional Allotment	:	16 January 2007 at 5:00 p.m.
Last date and time for transfer of Provisional Allotment	:	19 January 2007 at 4:00 p.m.
Last date and time for acceptance and payment	:	29 January 2007 at 5:00 p.m.*
Last date and time for excess Warrants application and payment	:	29 January 2007 at 5:00 p.m.*
* or such later date and time as the Directors of Digistar may decide and announce not less than two (2) market days before the original closing date, subject to Bursa Securities' approval		

RIGHTS SUBSCRIPTION FORM

THIS RIGHTS SUBSCRIPTION FORM ("RSF") IS ISSUED FOR THE PURPOSE OF ACCEPTING THE WARRANTS AND APPLYING FOR EXCESS WARRANTS PURSUANT TO THE RIGHTS ISSUE (AS DEFINED HEREIN) OF DIGISTAR CORPORATION BERHAD ("DIGISTAR" OR "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 29 JANUARY 2007 OR SUCH LATER TIME AND DATE AS MAY BE DETERMINED AND ANNOUNCED BY THE DIRECTORS OF DIGISTAR. THIS FORM IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS STANDING TO THE CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

Affix a RM10.00
Malaysian Revenue
Stamp here

This form is to be returned with the appropriate remittance to
PFA Registration Services Sdn Bhd (19234-W)
Level 13, Uptown 1,
No. 1, Jalan SS21/58,
Damansara Uptown,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel. No.: 03-7725 4888



DIGISTAR CORPORATION BERHAD
(603652-K)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 90,040,325 WARRANTS, AT AN ISSUE PRICE OF RM0.01 PER WARRANT, TO THE SHAREHOLDERS OF DIGISTAR ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY ("DIGISTAR SHARES") HELD AT 5.00 P.M. ON 22 DECEMBER 2006 ("RIGHTS ISSUE")

To: The Directors
DIGISTAR CORPORATION BERHAD (603652-K)

PART I - ACCEPTANCE OF WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus dated 29 December 2006, I/we hereby irrevocably accept Warrants comprised in the Notice of Provisional Allotment issued by the Company, which were provisionally allotted/renounced to me/us in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We enclose herewith Banker's Draft/Cashier's Order/Money Order/Postal Order No. for RM..... in favour of **"DIGISTAR RIGHTS ISSUE ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"**, being the full amount payable for the said number of Warrants accepted (ROUNDED UP TO THE NEAREST SEN), and hereby request for the Warrants accepted to be credited into my/our CDS account as follows:-

NUMBER OF WARRANTS ACCEPTED	TOTAL AMOUNT PAYABLE AT RM0.01 PER WARRANT IN FAVOUR OF "DIGISTAR RIGHTS ISSUE ACCOUNT" (RM)

CDS ACCOUNT NO.:				-				-								
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PART II - APPLICATION FOR EXCESS WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus dated 29 December 2006, I/we hereby irrevocably apply for excess Warrants, in addition to the Warrants which are provisionally allotted to and accepted by me/us as stated above, in accordance with and subject to the Memorandum and Articles of Association of the Company.

I/We enclose herewith Banker's Draft/Cashier's Order/Money Order/Postal Order No. for RM..... in favour of **"DIGISTAR EXCESS RIGHTS ISSUE ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"**, being the full amount payable for the said number of excess Warrants applied for (ROUNDED UP TO THE NEAREST SEN), and hereby request for the said excess Warrants applied for to be credited into my/ our CDS account as stated above:-

NUMBER OF EXCESS WARRANTS APPLIED FOR	TOTAL AMOUNT PAYABLE AT RM0.01 PER WARRANT IN FAVOUR OF "DIGISTAR EXCESS RIGHTS ISSUE ACCOUNT" (RM)

PART III - DECLARATION

I/We hereby confirm and declare that:

- (i) All information provided by me/us is true and correct;
(ii) All information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our rights may be rejected; and

- * I am 18 years of age or over.
* I am/We are resident(s) of Malaysia.
* I am/We are resident(s) of (country) and having citizenship.
* I am/We are nominee(s) of a person who is a *Bumiputera/ *Non-Bumiputera/ *Non-Citizen resident in (country) and having citizenship.

I/We hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus dated 29 December 2006 and further confirm compliance with all the requirements for acceptance as set out therein.

NAME AND ADDRESS OF APPLICANT (in block letters as per Bursa Depository's record)	Signature/Authorised Signatory(ies) (Corporate Bodies must affix their Common Seals)										
Contact Telephone No. (during office hours)	Nationality/Place of incorporation										
If the Applicant is a natural person (as per Bursa Depository's record) NRIC No. Old : New : Passport No. (also state country) :	If the Applicant is a body corporate (as per Bursa Depository's record) Company No./Registration No.:										
Race: (If Malaysian) (Please tick (✓) where appropriate) <table><tr><td><input type="checkbox"/> Malay</td><td><input type="checkbox"/> Indian</td></tr><tr><td><input type="checkbox"/> Chinese</td><td><input type="checkbox"/> Others (specify)</td></tr></table>	<input type="checkbox"/> Malay	<input type="checkbox"/> Indian	<input type="checkbox"/> Chinese	<input type="checkbox"/> Others (specify)	Type of Body Corporate (Please tick (✓) where appropriate) <table><tr><td><input type="checkbox"/> Government Agencies/ Institutions/Statutory Bodies</td><td><input type="checkbox"/> Controlled by Non-Malaysians</td></tr><tr><td><input type="checkbox"/> Controlled by Malaysians (Malays/Natives)</td><td><input type="checkbox"/> Others (specify)</td></tr><tr><td><input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)</td><td></td></tr></table>	<input type="checkbox"/> Government Agencies/ Institutions/Statutory Bodies	<input type="checkbox"/> Controlled by Non-Malaysians	<input type="checkbox"/> Controlled by Malaysians (Malays/Natives)	<input type="checkbox"/> Others (specify)	<input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)	
<input type="checkbox"/> Malay	<input type="checkbox"/> Indian										
<input type="checkbox"/> Chinese	<input type="checkbox"/> Others (specify)										
<input type="checkbox"/> Government Agencies/ Institutions/Statutory Bodies	<input type="checkbox"/> Controlled by Non-Malaysians										
<input type="checkbox"/> Controlled by Malaysians (Malays/Natives)	<input type="checkbox"/> Others (specify)										
<input type="checkbox"/> Controlled by Malaysians (Non-Malays/Non-Natives)											

* Please delete whichever is not appropriate.

Dated thisday of2007

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RIGHTS SUBSCRIPTION FORM ("RSF")

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE SHOULD BE ADDRESSED TO THE REGISTRAR OF THE COMPANY, PFA REGISTRATION SERVICES SDN BHD (19234-W), LEVEL 13, UPTOWN 1, NO. 1, JALAN SS21/58, DAMANSARA UPTOWN, 47400 PETALING JAYA, SELANGOR DARUL EHSAN. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS DATED 29 DECEMBER 2006 TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. PLEASE BE REMINDED THAT IN ACCORDANCE WITH THE SECURITIES COMMISSION ACT 1993, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

This RSF, together with the Abridged Prospectus and Notice of Provisional Allotment ("NPA"), are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Any entitled shareholder who is resident in countries or jurisdictions other than Malaysia should therefore immediately consult his/ her legal advisers as to whether the acceptance or renunciation of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Digistar and Hwang-DBS Securities Berhad ("Hwang-DBS") shall not accept any responsibility or liability in the event that any acceptance or renunciation made by the said entitled shareholder is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of the Abridged Prospectus has been registered with the Securities Commission ("SC"). A copy of the Abridged Prospectus, together with the accompanying NPA and this RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for their contents. Approvals for the Rights Issue have been obtained from the SC vide its letter dated 16 August 2006, Bank Negara Malaysia vide its letter dated 4 August 2006 and from the shareholders of Digistar vide an ordinary resolution passed at the Extraordinary General Meeting held on 15 November 2006.

Approval-in-principle has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") on 8 December 2006 for the admission of the Warrants to the Official List of the MESDAQ Market of Bursa Securities and for the listing of and quotation for the Warrants and the new ordinary shares of RM0.10 each in Digistar ("Digistar Shares") to be issued upon the exercise of the Warrants on the MESDAQ Market of Bursa Securities. The Warrants will be admitted to the Official List of the MESDAQ Market of Bursa Securities and the listing of and quotation for the Warrants will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them. The official listing of and quotation for the new Digistar Shares to be issued upon the exercise of the Warrants is expected to commence after receipt of confirmation from Bursa Depository that all the CDS accounts of the Warrant holders who exercise their Warrants have been duly credited and notices of allotment have been despatched to them.

Neither Bursa Securities nor the SC takes any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission of the Warrants to the Official List and the listing of and quotation for the new Digistar Shares and Warrants on the MESDAQ Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

This RSF, together with the Abridged Prospectus and NPA, have been seen and approved by the Directors of Digistar and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made 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 these documents false or misleading.

INSTRUCTIONS:-

(i) **LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT**

This RSF is valid for acceptance until 5.00 p.m. on 29 January 2007, or such extended date and time as the Directors of Digistar may decide at their absolute discretion, subject to Bursa Securities' approval. Where the closing date for acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) market days before the original closing date.

(ii) **FULL ACCEPTANCE OF THE WARRANTS**

If you wish to accept the Warrants provisionally allotted to you, please complete Part I and Part III of this RSF and return this RSF, together with the appropriate remittance made in Ringgit Malaysia (RM) for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a Bank or Post Office in Malaysia and must be made out in favour of **"DIGISTAR RIGHTS ISSUE ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name, address and CDS account number in block letters, for the full amount payable for the Warrants accepted, to be received by the Registrar, before 5.00 p.m. on 29 January 2007 (or such extended date and time as the Directors of Digistar may decide at their absolute discretion, subject to Bursa Securities' approval). Cheques or any other mode of payments are not acceptable. The remittance must be made for the exact amount payable for the Warrants accepted (ROUNDED UP TO THE NEAREST SEN).

If acceptance and payment for the Warrants provisionally allotted to you is not received by the Registrar, **PFA Registration Services Sdn Bhd** by 5.00 p.m. on 29 January 2007, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by the Directors of Digistar), such provisional allotment of rights will be deemed to have been declined and will be cancelled. The Directors of Digistar will then have the right to allot such Warrants not taken up, first, to applicants applying for excess Warrants in a fair and equitable manner and in the interest of the Company, and so as to minimise the incidents of odd lots.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THIS RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY THE COMPANY OR THE REGISTRAR. HOWEVER, NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS AT THEIR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT FOR THE WARRANTS.

(iii) **PART ACCEPTANCE OF THE WARRANTS**

If you wish to accept part of your provisional allotment of the Warrants, please complete Part I of this RSF by specifying the number of Warrants which you are accepting and Part III of this RSF and deliver the completed RSF together with the relevant payment to the Registrar, **PFA Registration Services Sdn Bhd** by 5.00 p.m. on 29 January 2007, being the last time and date for acceptance and payment (or such extended time and date as may be determined and announced by the Directors of Digistar). The minimum number of Warrants that can be accepted is one (1) Warrant.

(iv) **APPLICATION FOR EXCESS WARRANTS**

If you and/or your renounee(s) (if applicable) wish to apply for excess Warrants in addition to those provisionally allotted to you and/or your renounee(s) (if applicable), please complete Part II of this RSF (in addition to Parts I and III) and forwarding it (together with a **separate remittance** for the full amount payable in respect of the excess Warrants applied for) to the Registrar. Payment for the excess Warrants applied for should be made in the same manner described in note (ii) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and crossed **"ACCOUNT PAYEE ONLY"** and made payable to **"DIGISTAR EXCESS RIGHTS ISSUE ACCOUNT"** and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters to be received by the Registrar not later than 5.00 p.m. on 29 January 2007, being the last time and date for the excess Warrants acceptance and payment (or such extended time and date as may be determined and announced by the Directors of Digistar). No acknowledgement will be issued but a notice of allotments will be despatched to you by ordinary post to the address stated in this RSF within fifteen (15) market days from the last date of acceptance and payment for the excess Warrants.

In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) Market Days from the last date for application and payment for the excess Warrants by ordinary post to the address shown in this RSF at the applicant's own risk.

The Directors of the Company shall allot the excess Warrants on a fair and equitable manner and in such manner that the incidence of odd lots will be minimised.

(v) **SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF WARRANTS**

If you wish to sell/ transfer all or part of your provisional allotment of the Warrants to your renounee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the Warrants standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the Warrants, you may sell such provisional allotment of the Warrants on the open market of Bursa Securities or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of the Warrants, you and/ or your renounee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that you have sufficient provisional allotment of the Warrants standing to the credit of your CDS account before trading.

The purchaser(s)/renounee(s) can collect a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, all Malaysian stockbroking companies, the Registered Office of the Company, the Registrars' office or Bursa Malaysia's website at <http://www.bursamalaysia.com/>.

If you have sold only part of the provisional allotment of the Warrants, you may still accept the balance of your provisional allotment of the Warrants by completing Parts I and III of this RSF.

(vi) **GENERAL INSTRUCTIONS**

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- Warrants subscribed by the shareholders and/or their renounee(s) will be credited into their respective CDS accounts as shown in the Record of Depositors.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the provisional allotment of the Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.
- The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.
- Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.