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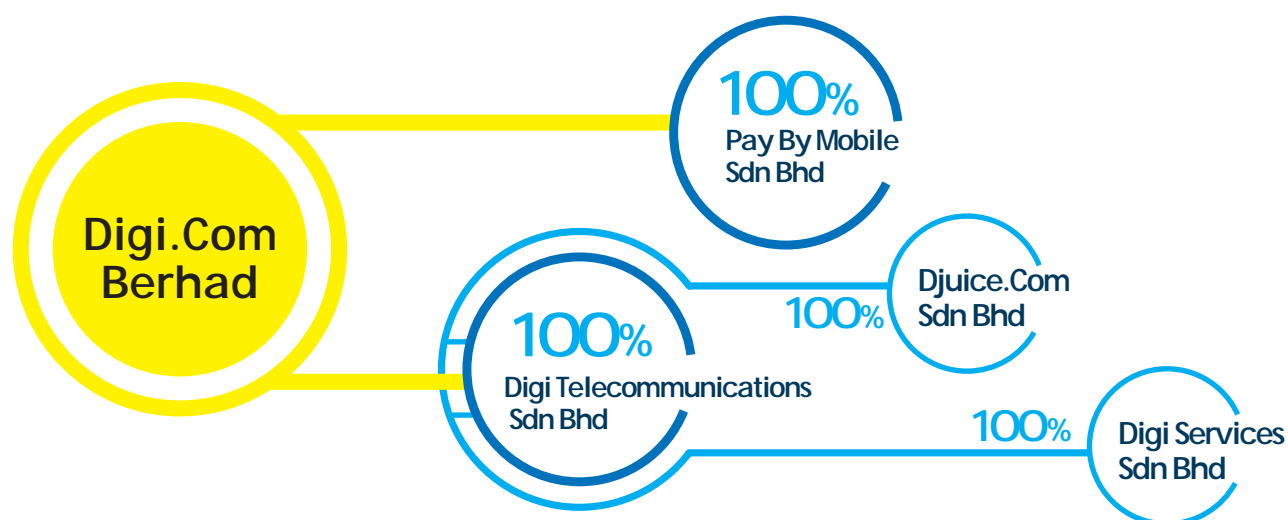
Visit www.digi.com.my
to view the online version of this
annual report.



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CORPORATE STRUCTURE



CORPORATE INFORMATION

Board of Directors

Morten Karlsen Sorby

Chairman

(Appointed as Chairman on 19 August 2015)

Datuk Seri Saw Choo Boon

Tore Johnsen

Director and Alternate Director to Morten Karlsen Sorby
(Appointed as Alternate Director on 19 August 2015)

Yasmin Binti Aladad Khan

Vimala A/P V.R. Menon

(Appointed on 1 July 2015)

Lars-Ake Valdemar Norling

(Appointed on 19 August 2015)

Kristin Muri Moller

(Appointed on 4 February 2016)

Hakon Bruaset Kjol

(Resigned on 16 December 2015)

Sigve Brekke

(Resigned on 19 August 2015)

Dato' Ab. Halim Bin Mohyiddin

(Retired upon the conclusion of the 18th AGM held on 7 May 2015)

Audit and Risk Committee

Datuk Seri Saw Choo Boon

Chairman/Independent Non-Executive Director

Vimala A/P V.R. Menon

Independent Non-Executive Director
(Appointed on 1 July 2015)

Tore Johnsen

Non-Independent Non-Executive Director

Dato' Ab. Halim Bin Mohyiddin

Independent Non-Executive Director
(Retired upon the conclusion of the 18th AGM held on 7 May 2015)

Nomination Committee

Yasmin Binti Aladad Khan

Chairman/Independent Non-Executive Director
(Appointed as Chairman on 1 July 2015)

Datuk Seri Saw Choo Boon

Independent Non-Executive Director
(Appointed on 1 July 2015)

Lars-Ake Valdemar Norling

Non-Independent Non-Executive Director
(Appointed on 4 January 2016)

Hakon Bruaset Kjol

Non-Independent Non-Executive Director
(Resigned on 16 December 2015)

Dato' Ab. Halim Bin Mohyiddin

Independent Non-Executive Director
(Retired upon the conclusion of the 18th,
AGM held on 7 May 2015)

Remuneration Committee

Morten Karlsen Sorby

Chairman/Non-Independent Non-Executive Director
(Appointed on 19 August 2015)

Tore Johnsen

Non-Independent Non-Executive Director

Lars-Ake Valdemar Norling

Non-Independent Non-Executive Director
(Appointed on 4 January 2016)

Hakon Bruaset Kjol

Non-Independent Non-Executive Director
(Resigned on 16 December 2015)

Sigve Brekke

Non-Independent Non-Executive Director
(Resigned on 19 August 2015)

Secretaries

Choo Mun Lai (MAICSA No. 7039980)

Tai Yit Chan (MAICSA No. 7009143)

Tan Ai Ning (MAICSA No. 7015852)

Domicile and Country of Incorporation

Malaysia

Registered Office

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7720 1188
Fax: 03-7720 1111
E-mail: Boardroom-KL@boardroomlimited.com
Web: www.boardroomlimited.com

Share Registrars

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel: 03-2783 9299
Fax: 03-2783 9222
E-mail: is.enquiry@my.tricorglobal.com
Web: www.tricorglobal.com

Auditors

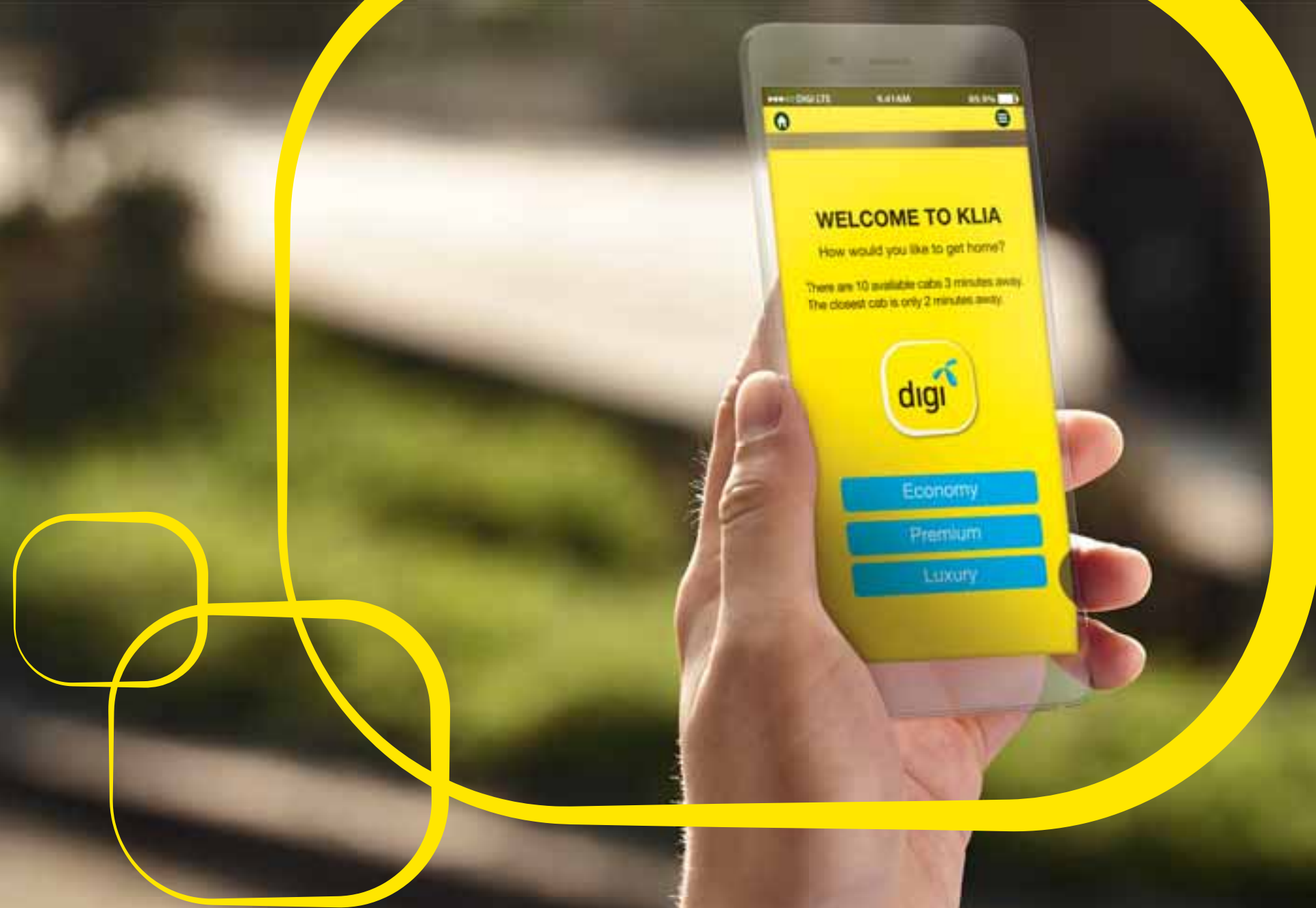
Messrs Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
Fax: 03-2095 5332

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Listed on: 18 December 1997
Stock Name: DIGI
Stock Code: 6947

Principal Bankers

Standard Chartered Bank Malaysia Berhad
AmBank (M) Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
UOB Bank Berhad
Sumitomo Mitsui Banking Corporation Malaysia Berhad



YOUR FAVOURITE DIGITAL PARTNER

INNOVATING TO DELIVER YOUR
FUTURE DIGITAL NEEDS

WE HAVE COME A LONG WAY, AND EXPERIENCE HAS BEEN OUR BEST TEACHER

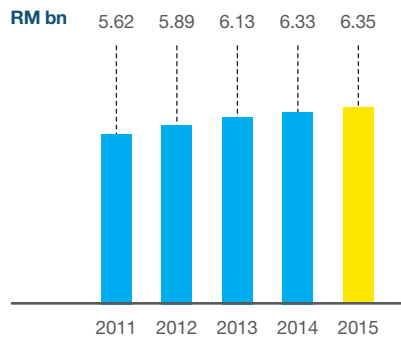
20 years ago we began inspiring Malaysians as the first digital cellular network in the country, providing voice and SMS services to the people. Over the years, our brand has become synonymous with innovation, fun and simplicity.

We have grown to become one of Malaysia's fastest growing telecommunications networks, and most profitable companies. How? With over 2,000 dynamic Digizens driving our business, keeping a relentless focus on providing high-quality services and excellent customer experience that allows our customers to get the most benefit out of an increasingly connected world.

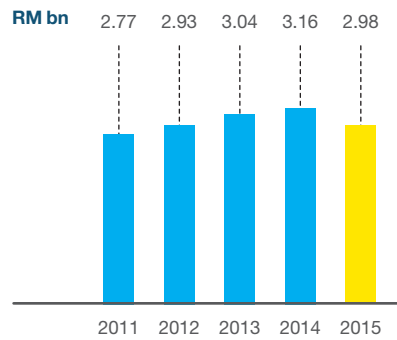


OUR FINANCIAL TRACK RECORD

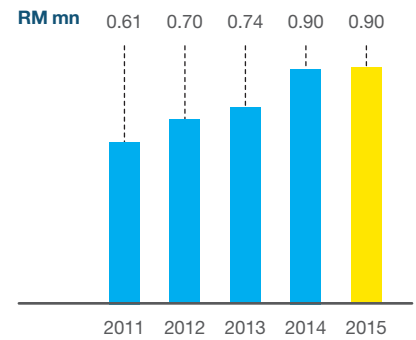
Service revenue
RM6.35 billion



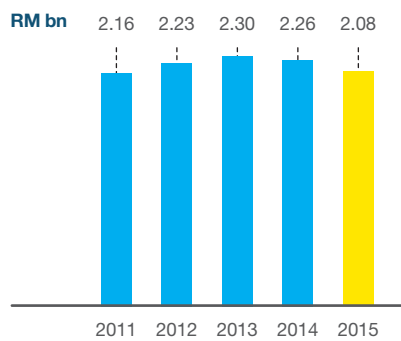
EBITDA
RM2.98 billion



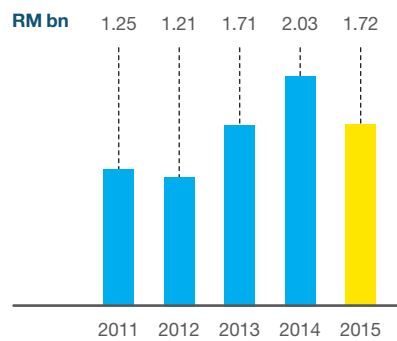
Capital expenditure (Capex)
RM904 million



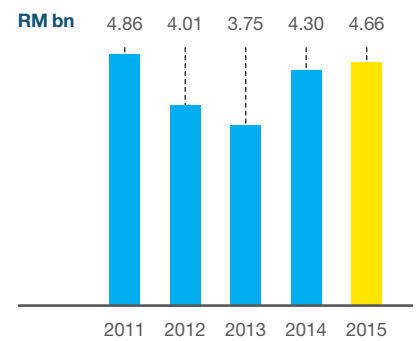
Ops cash flow
RM2.08 billion



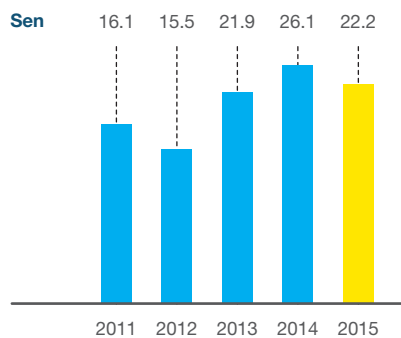
Profit after tax
RM1.72 billion



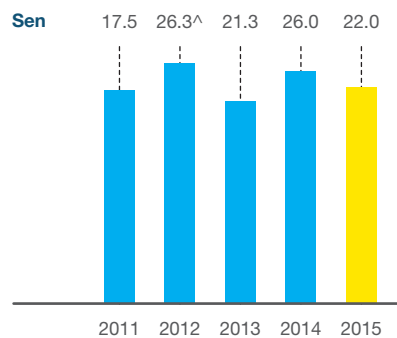
Total assets
RM4.66 billion



Earnings per share
22.2 sen

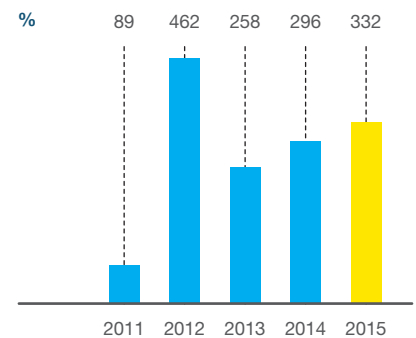


Dividend per share
99% payout or 22.0 sen



^ includes special dividend of 8.0 sen per share

Return on equity
332.0%



OUR PRESENT

In recent years we have successfully evolved our business to address new growth opportunities. With a refreshed promise this year to be an enabler of digital inspiration for our customers, we now do much more than provide mobile connectivity services.

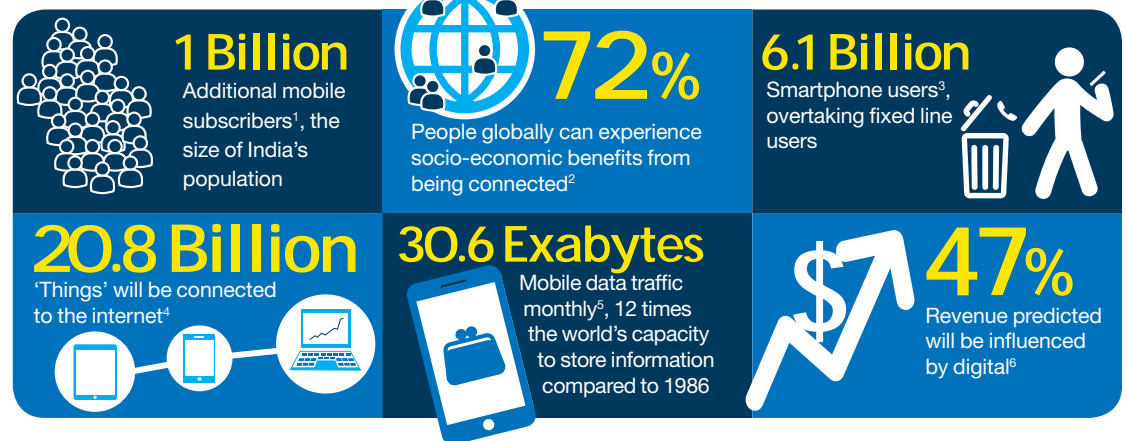


More highlights for the year are available on page 30.

OUR WAY FORWARD

Technology is changing our world and we are seeing profound mobile innovations revolutionise the way people connect and communicate. Data consumption is accelerating, networks are improving, digital ecosystems are rapidly evolving and more areas of our customers' lives are connected digitally – **this is our future.**

Mobile Life in 2020



Our 2020 ambition

With this pace of change expected to remain significant, we are future-proofing our business to transform beyond a traditional mobile connectivity provider, positioning ourselves more significantly in the daily, digital lives of our customers.



Loved by customers

Providing high quality, user friendly and personalised customer propositions and experiences



Engaging digital products

Delivering integrated digital services and experiences through strong digital positions and ecosystem

Customers' favourite partner in digital life

Winning team

Building future ready talents, and a culture that inspires every day 360° innovation

Most efficient operator

Driving profitable growth by optimising the way we work, and ensuring future-proof operating models



1 GSMA Intelligence Report

2 GSMA The Mobile Economy 2015

3 Ericsson Mobility Report

4 Gartner Inc. (November 2015)

5 Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2015–2020 White Paper

6 2015 Forrester Research: The State of Digital Business

Steadily growing digital services and partnership portfolio

Malaysia's widest 4G LTE network to deliver excellent quality services and customer experience

> 2,000 dynamic, agile Digizens steeped in 360° innovation culture

Strong core business fundamentals

We have strong fundamentals to strengthen our digital play and unlock new digital growth opportunities to deliver on our 2020 ambition

Global leverage being part of Telenor Group's presence in 13 markets



**YOUR FAVOURITE
DIGITAL PARTNER**

**KEEPING ALL YOUR MEMORIES
IN ONE SAFE PLACE**



Capture



“Digi has tracked well in accelerating access of *Internet For All Malaysians*, building a steady foundation for our next growth chapter as a preferred digital services partner to customers.”

Dear Shareholders,

We celebrated 20 years of serving and inspiring Malaysians with our own brand of innovative mobile services in 2015. And on behalf of the Board of Directors, it gives me great pleasure to share that we are marking our two decades of history having consistently delivered on our goals, and maintained resilient performance and value to shareholders despite tough external challenges to the business. In particular, Digi has tracked well in accelerating access of *Internet For All Malaysians* with 7.5 million internet subscribers representing 61.9% of our total customer base, building a steady foundation for our next growth chapter as a preferred digital services partner to customers.

Gearing towards the Digital Shift

Asia is one of the many regions seeing rapid technological migration towards smartphones and advanced data networks. The region is expected to add around 1.6 billion

smartphone connections by 2020, over half of the global total¹. What's even more interesting is the fact that this will be accompanied by a forecasted tenfold increase in mobile data traffic growth by 2019, driven by the prevalence of innovative new digital services, content and applications. We are seeing innovation in the mobile ecosystem happening at many levels in Asia, amplified by new smartphone models and apps customers have come to love emerging from Asian-based vendors and entrepreneurs.

Smartphone ownership in Malaysia today stands at 71%, totaling 18 million mobile internet users², who this year put the country on the map as one of the top five app download destinations in Asia³. The number of mobile internet users is projected to grow to 25 million by 2019⁴, supported by increasingly affordable smartphones and wireless networks, and the emergence of new digital services driving data consumption. This will also be aided by the government's continued promotion of digital use across all areas of public life in its ambition for Malaysia to be a digital nation.

These factors promise exciting opportunities for our business. Mobile is at the heart of the new digital ecosystem, and today I see this as an area where Digi can truly be a leader guided by Telenor's ambition to be our customers' favourite partner in their digital life. We have built a strong internet-centric business over the past few years with a dedicated focus on quality of service and customer excellence. I strongly believe this positions us well to unlock new growth opportunities and bring relevant, personalised and engaging digital products and services to more customers across Malaysia.

Sustaining Responsible Business Practices

Apart from enabling Malaysia to be a digitally empowered society, stimulating progress and positive change through mobile connectivity, we remain committed to provide a safe, wholesome experience of our products and services, to prudently manage the impact of our business on the environment, and to maintain an inclusive, respectful, and progressive working environment for our people.

Through Telenor Group, Digi is a member of the UN Global Compact (UNGC), and adheres to the principles on human and labour rights, environmental protection, and anti-corruption. The Company continues to engage employees and business partners around its Code of Conduct and Agreement for Responsible Business Conduct respectively, and ensures mandatory compliance to all principles. Our shareholders can read a summary of these efforts in the Sustainability section of this report, or full disclosure of these initiatives in Digi's 2015 Sustainability Report online at www.digi.com.my/sustainability.

Delivering Shareholder Value

Digi's resilient performance has once again been clearly acknowledged by the market. For the fourth consecutive year, the company received top honours from The Edge Billion Ringgit Club Awards 2015, being recognised as the Most Profitable Company overall with market capitalisation of above RM10 billion and the Most Profitable Company in the Trading and Services sectors. Adding to these awards is also the recognition as the Best Managed Public Company in Malaysia, as part of Asia's Best Managed Companies 2015 awards polled by FinanceAsia. These recognitions are a clear testament of the ability of Digi's management team and employees to turn in solid results and return on equity over the past four years.

Our remuneration policies continue to ensure that management is strongly aligned with shareholders, and is focused on rewarding long term value creation which Digi has consistently proven to deliver. In view of the company's steady performance in 2015, I am pleased to share that Digi's shareholders were rewarded a net dividend per share of 22.0 sen, or a total dividend of RM1.71 billion for the year. The 99% dividend payout ratio exceeds the company's dividend policy of distributing a minimum 80% of its net profits.

Changes to the Board

I would like to welcome to the Board experienced corporate leaders like Lars-Ake Norling, Vimala Menon and Kristin Muri Moller, and look forward to leveraging their wealth of experience in the years to come. Vimala and Kristin's presence in the Board underscores the continued importance we place on diversity in ensuring a mixed and balanced set of skills, perspectives and experience for effective management. Our Board now comprises 43% female representation, which exceeds the Malaysian government's target of 30% women participation in Boards of public listed companies. We intend to stay ahead on this, and all other aspects of diversity and inclusion in Digi.

On behalf of the Board of Directors, I would also like to take this opportunity to deeply thank and bid farewell to three esteemed colleagues. Firstly, to my predecessor Sigve Brekke for his inspiring leadership, and to Dato' Ab. Halim Bin Mohyiddin and Hakon Bruaset Kjol respectively for their invaluable contribution to the Board over the years. The Board, Management team, and Digizens wish them the very best for their futures.

Acknowledgements

Having the right team is key to the success of our business, reflected in Digi's resilience and ability to deliver a steady performance in what was not an easy year for any business to navigate. On behalf of the Board, I would like to convey our deepest thanks to all Digizens and management of Digi for putting forward their best at work every day during the year, persevering through the relentless pace of competition and industry shifts.

The Board and I would also like to share our appreciation to the government of Malaysia, Ministry of Communications and Multimedia (KKMM), Malaysia Communications and Multimedia Commission (SKMM) and to other various agencies who we continue to partner to build a healthy, conducive ecosystem to accelerate Malaysia's transformation into a digital nation.

In closing, I would also like to express our appreciation to all shareholders for your continued interest and investment in Digi. I look forward to sharing with you the next chapter of Digi's future at our Annual General Meeting in May.

Morten Karlsen Sorby
Chairman

¹ GSMA Mobile Economy Asia Pacific 2015

² Digital, Social & Mobile in 2015

³ Inmobi Insights: The State of App Downloads & Monetisation

⁴ PWC: Malaysia Entertainment and Media Outlook 2015-2019

CEO'S STATEMENT

“Our focus for the year ahead will be to deliver on our promise to enable growth and profitability from our core services while we transform our business, unlock new capabilities and opportunities to strengthen our play in digital.”



Dear Shareholders,

To begin, I would like to thank all our customers for their continued support and loyalty to Digi. It is our customers' confidence and constant interaction with us that underpins our resolve to continue innovating and working hard to ensure all Malaysians benefit from being connected.

Digi's financial performance in 2015 remained resilient, staying ahead of industry changes and economic uncertainties, while delivering on our promise to provide service excellence and be an enabler of digital inspiration to the growing number of internet-loving customers on our network.

These efforts allowed us to activate stronger data momentum and capture growth opportunities from the rising demand for high-quality, next-generation internet services. We closed the year with a service revenue of RM6,348 million from a stronger customer base of 12.1 million, of which a growing 59.2% of customers are now using smartphones.

Delivering 360° Best for Internet Experience

Through the year, we have continued to raise the performance of our core business to create more opportunities to reach broader customer segments looking for enriching digital experiences. This is evident through efforts put into accelerating the expansion of our 4G LTE network, improving our IT and go-to-market structures, growing our large network of service touchpoints in stores and online, and delivering the best 360° internet offerings and experience to customers.



2015 was a significant year for Digi, marking our network leadership as Malaysia's widest 4G LTE network. This was a direct result of a critical decision made three years ago to modernise and strengthen our network and fiber infrastructure capabilities to deliver high-quality internet services to our customers, fast-track network rollout to more areas, and increase preparedness to accelerate the network in tandem with future needs.

At year end, our 4G LTE network covered over 65% of the population surpassing our initial target of 45%, on top of a 3G footprint of 87%. This was supported by an expanded fiber network of 6,400km, bringing 4G LTE access to 131 major cities and towns, with key market centres averaging 95%

population coverage. We also enabled 4G LTE-Advanced (4G LTE-A) services that now benefits 29% of Malaysians, and reaches 1 in 2 customers in key market centres. Our strong, stable network today connects 7.5 million customers to internet on-the-go of which 2.3 million are enjoying 4G LTE.

Matching efforts on our best for internet network, we drove more value, access and relevant internet content for customers through new, innovative 360° internet offerings. In particular, we introduced a refreshed prepaid and postpaid product portfolio layered with a diversified range of digital services to customers across all segments for them to enjoy worry-free data access. These new innovative services added to our core business fundamentals will drive greater smartphone adoption and incremental data consumption for every wallet size, stimulate digital traction towards building a more robust portfolio and fuel increased service revenue in the coming years.

Understanding what is important to our customers is critical to how well we continue serving our growing customer base. We stepped up efforts on service delivery through the introduction of our self-service MyDigi app, an alternate means to access our services with virtually no wait time to complete transactions. And, as part of this drive to gain deeper customer insights and nurture a customer first way of work, we also launched a number of company-wide initiatives to ensure every Digizen has the opportunity to personally interact with customers, learn more about their needs and deliver on our promise to customers every day. This is especially important as we navigate through the shifting trends and aim to continue playing an essential role in their digital lives.

Enabling Digitally Empowered Societies

Mobile connectivity has already redefined customer experiences in many aspects of daily life, helping create new digital societies and functioning as a platform to broaden access to essential services such as education, healthcare and financial services. In this respect, we are deeply committed to enabling more digital communities nationwide, working to empower the remaining 10 million unconnected Malaysians so more segments of society reap the social, economic benefits of being connected.



During the year, we worked to profoundly impact society through seven community programmes under our Empower Societies platform.

Most notably, we deepened our commitment to nurture a safer internet for all Malaysian children with our Digi CyberSAFE programme. In 2015, we expanded our means to build digital resilience and foster responsible digital citizenship among school going children through nationwide educational workshops with our partner CyberSecurity Malaysia and other NGOs, published a parental guide book and leveraged our reach to students nationwide to gather deeper insights on internet usage, safety and resilience, through a survey that produced a comprehensive body of statistics on the subject.

During the year, we also continued our efforts to encourage and nurture the development of local digital content and applications to address social needs through our Digi Challenge for Change programme. We will be working with a social enterprise to pilot their solutions in 2016. More details on these and other initiatives are available in the Sustainability section of this report, and in our online 2015 Sustainability Report at www.digi.com.my/sustainability.

Becoming Our Customers' Favourite Partner in Digital Life

The digital revolution started with the internet and continued with the smartphone. The data power we carry in our pockets used to only fit in a mid-sized warehouse. Smartphones have deeply impacted our way of life, and from the beginning, Digi has been a key enabler of this change for our customers through our reliable mobile network, and products tailored to our customers' needs.

As technology and the broader mobile and digital ecosystems continue to evolve, the impact of innovation and disruption will bring new technologies and profound mobile innovations that will again revolutionise our customers' digital lifestyles. With these shifting trends, we recognise the need to transition beyond a traditional mobile connectivity provider to take a more significant position in the daily digital lives of our customers.



We have an ambition to be our customers' favourite partner in digital life by 2020. This five year journey will see us transforming into an integrated digital services provider, leveraging on our solid network as the vehicle to bring relevant, personalised and engaging digital products and services to our customers. It will require us to drive profitable growth by optimising the way we work and digitising our core business while we develop new digital capabilities.

Our strongest assets for successfully achieving our digital ambition are our people. In 2015, we introduced a new workplace promise around Freedom to Inspire the Next, embedding a 360° innovation culture that builds future-ready talent by encouraging Digizens to operate in startup mode. To try new ideas, challenge conventions, and be quick to adapt to the rapidly shifting digital environment. Their expertise will push our organisation to work smarter, more efficiently, and drive the changes needed to digitise our business.



One of our key priorities for the year was also to strengthen the company's leadership to help drive the next phase of our growth. During the year, we welcomed high-performing leaders Kesavan Sivabalan and Orsolya Sekerka to the management team as Chief Network Officer and Chief IT Officer respectively. And in March 2016, we appointed Loh Keh Jiat who was previously Chief Sales Officer as the new Chief Marketing Officer overseeing an expanded Sales and Marketing portfolio. These announcements signify the importance Digi places on nurturing our own talent, and providing development opportunities for competent, passionate Digizens across the organisation to drive and support our continuous change journey.



Driving profitable growth in 2016

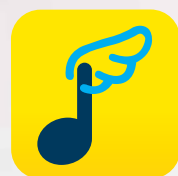
Our business remains robust, and provides a solid foundation for our next chapter of growth fueled by our new strategy. Our focus for the year ahead will be to deliver on our promise to enable growth and profitability from our core services while we transform our business, unlock new capabilities and opportunities to strengthen our play in digital. Keeping a keen eye on performance, operational excellence and execution, I am confident we will make good progress on our digital ambition and continue creating value for our shareholders.

Every Digizen played an important role to deliver a well-fought 2015. I thank each and every one of them for their unwavering commitment, and for bringing the Digi energy into executing fast and excellently, and for taking every opportunity to deliver on our customers' needs to ensure we win in the market every day.

I would also like to take this opportunity to express my appreciation to my former colleague Christian Thrane for his able contribution as a member of my management team, and key role in building Digi's solid brand equity over the years. On behalf of all Digizens, I would like to wish him the very best for his new role in Sweden.

To our customers, we look forward to becoming your trusted, credible digital partner in 2016 and beyond.

Albern Murty
Chief Executive Officer




Music
Freedom

YOUR FAVOURITE DIGITAL PARTNER

HELPING YOU ROCK TO YOUR
BEAT ANYWHERE YOU GO




OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW




Loved by customers

- Steadily growing customer base by **6.2% to 12.1** million
- #1 on Net Promoter Score (NPS)
- Resilient service revenue at **RM6.35** billion with **2.8%** postpaid revenue growth
- Empowering the nation with **Malaysia's widest 4G LTE network**




Engaging digital products

- 7.5** million or **61.9%** active internet users
- 59.2%** smartphone users
- Innovative and relevant digital services such as Music Freedom, Capture, Direct Operator Billing on Google Play store



Most efficient operator

- Healthy EBITDA and Ops cash flow with normalised EBITDA margin at **45%**
- Strong shareholders return at **22.0** sen dividend per share or **99%** payout



Winning Team

- Diverse talent pool with **>2,000** employees across 12 nationalities
- Balanced gender diversity with male and female ratio of **55:45**
- Strong employer brand: **Freedom To Inspire the Next**

We work hard to create a profitable business that cares for our customers and provides high quality products and services to the market.

We are also looking to the future, pursuing new ideas and innovation to serve our customers' changing needs and to succeed in the shifting, dynamic market we will face in the future.

Your Favourite Digital Partner

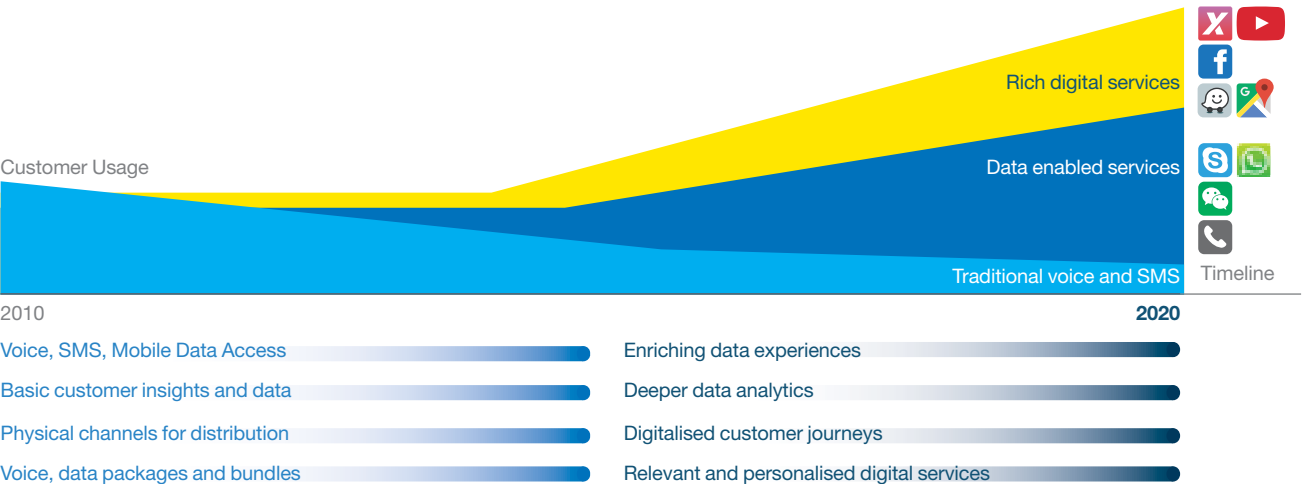
With the profound way technology is changing how people connect and communicate, we are transitioning our business to ensure we continue to play a key role in our customers' increasingly digital life.

We have an ambition to become our customers' favourite partner in digital life by 2020; where our solid network will be the vehicle to bring relevant, personalised and engaging digital products and services to our customers.

This new journey will require us to drive growth and digitise our core business, while developing new capabilities to realise opportunities in new digital portfolios and verticals. Our five year ambition is anchored by the four strategic pillars of Loved by Customers, Engaging Digital Products, Most Efficient Operator and Winning Team.

Strengthening Our Core and Digital Fundamentals in 2015

The environment that we are dealing with today is challenging – whether it is the macro economy, regulatory changes or competition intensity. Digi performed relatively well with a stronger customer base on the back of an accelerated 4G LTE network expansion nationwide with significantly improved data network quality and experience. Our relentless focus on customer excellence has built a strong foundation for us to springboard our digital play.



Our Performance for the Year

Key Highlights

2015 was a well-fought and resilient year for Digi with strong underlying growth on data demand and usage although earnings leveled by various industry turbulences and macro challenges.

The complexities on implementation of Goods and Services Tax (GST) on prepaid services effective 1 April 2015 adversely impacted prepaid operations momentum. In addition, the increased consumer wallet pressure and effects from weaker MYR currency contributed to relatively softer consumer sentiment for the year.

At the same time, the industry went through a series of intense price fueled competition with aggressive IDD pricing, rich offers on prepaid sim packs, free lite internet and free high-speed internet quotas.

Despite the various challenges, we stepped up and intensified our go-to-market game plan and stayed on course in delivering our 2015 commitment.

We continued to drive rapid 4G LTE network expansion to more than 65% of the population nationwide, which accelerated further to 72% by end February 2016.

The solid network development coupled with attractive mobile internet and digital services value proposition across postpaid and prepaid contributed favourably to Digi's acquisition drive and attracted an additional 704,000 customers during the year to reach 12.1 million customers.

Active internet customers significantly improved to 7.5 million or 61.9% of total customers with 2.3 million customers enjoying 4G LTE on our network, representing 19.3% of total customers.

Consistent with Digi's 2015 financial guidance, our service revenue remained resilient at RM6,348 million with low single digit growth of 0.2% and ahead of industry service revenue growth.

Underlying EBITDA and profit after tax (PAT) margins, however, was subdued by impact from intense competition and relatively weaker MYR currency.

Nonetheless, we delivered sustained normalised EBITDA margin of 45% on constant foreign exchange rate and secured significantly stronger network coverage and infrastructure capability within planned capex of RM904 million.

We continued to deliver healthy shareholder returns with strong dividend payout ratio of almost 100% equivalent to 22.0 sen per share or RM1.71 billion.

Operational Review

Malaysia's Widest 4G LTE Network

2015 was a pivotal year in our network journey as one of the most efficient and fastest growing networks in Malaysia. Our relentless focus on network quality, density and coverage delivered improved, consistent high-quality internet access to more Malaysians in more areas across the country, and most notably, established our network leadership as Malaysia's widest 4G LTE network.

As at February 2016, our 4G LTE network reached more than 72% of population nationwide with 1-in-2 customers in key market centres also enjoying services on our 4G LTE-Advance (4G LTE-A) network. Supported by an expanded fiber network of 6,400km, this means greater capacity and capability to deliver quality high-speed data and digital services that our customers are increasingly consuming.

Part of our 4G LTE network rollout was spearheaded by our customers through an innovative twitter campaign called #DigiWeWant4G, the first of its kind in Malaysia. While the innovative campaign placed customers in the driver's seat to decide on areas for network deployment, it also made sure we rolled out 4G LTE in areas relevant to our customers.

These solid customer-centric efforts and on-ground presence helped create awareness around Digi's network strength while actively capturing revenue opportunities across urban and suburban population that values affordable and consistent quality high-speed mobile internet access.

This has been a strong catalyst for the remarkable increase in 4G LTE adoption reflected by the 2.3 million 4G LTE customers at the end of 2015.

On top of delivering stable, reliable 4G LTE and 4G LTE-A services, testing is underway to bring Voice-over-LTE (VoLTE) and Voice-over-WiFi (VoWiFi) services on compatible 4G LTE smartphones for customers in 2016.

Competitive Offerings With A Wide Selection of Quality Digital Services Content

During the year, we continued to accelerate Digi's prepaid acquisition and retention drive with our new Smart Prepaid and Best Prepaid packs supported by solid on-ground execution, attractive mobile internet plans, in-demand digital services access and tactical promotions.

The intensive drive generated positive traction across all segments of the mass market and solidified Digi's prepaid positioning.

OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW (cont'd)

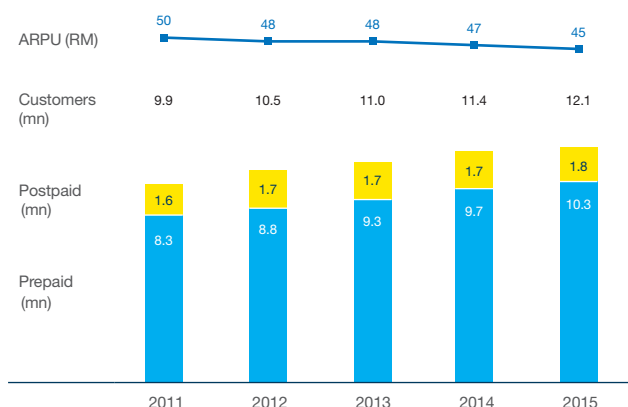
For postpaid, we took bolder steps with an enhanced SmartPlan portfolio and sim-only promotions, leveraging on Digi's widest 4G LTE network to strengthen our postpaid value proposition, customer base and revenue growth opportunities.

We also re-energised our distribution network to drive greater presence and responsiveness. We took steps to fortify our go-to-market execution, customer focus and intensified market activities in conjunction with new smartphone launches.

Our relentless focus on driving new growth from digital continued to shape our innovative product offering to cater to our customers' digital lifestyles. Most notably, we provided enriched digital engagement experiences and modernised self-serve capabilities through our MyDigi app.

Resilient Underlying Growth Indicators

Customers and ARPU



Digi's data network, attractive value proposition and stronger distribution channel continued to drive resilience and growth for postpaid. Our postpaid customer base strengthened 6.9% year-on-year, an increase of 119,000 to 1.8 million customers while postpaid ARPU remained relatively steady at RM81 (2014: RM82).

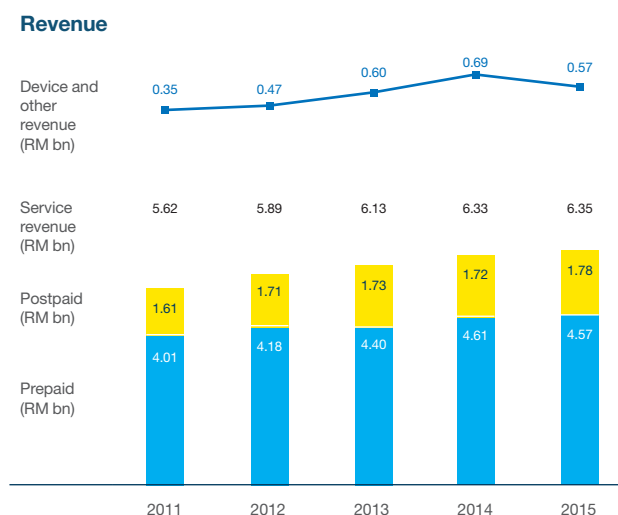
Although challenged on the prepaid market, Digi remained a strong prepaid revenue market leader with 6.0% higher prepaid customers to 10.3 million. We continued to tap on the growing demand for internet and progressively increased the number of prepaid smartphone users to 55.5% (2014: 46.4%). Digi's prepaid ARPU remained strong at RM38 over a larger prepaid subscriber base, although moderately leveled from RM41, a year ago.

With our persistent drive on relevant internet centric offers and bundles during the year, and the proliferation of affordable smartphones, we continued to increase overall smartphone adoption to 59.2% and active internet customers to 61.9% of our total customer base. The strong demand for digital services has continued to spur strong increase in data traffic. At end 2015, 4G LTE customers

reached 19.3% of total customers with a significant upside potential from increasing 4G LTE adoption on the back of a solid 4G LTE network footprint and more affordable 4G LTE devices and plans in the market.

Financial Performance Review

Steady Service Revenue with Strong Postpaid Growth



Amidst challenging market conditions and negative industry revenue growth, Digi turned in a commendable financial performance for the year and registered resilient service revenue at RM6,348 million or 0.2% growth.

In 2015, internet remained a solid growth engine for Digi with 21.3% revenue growth to RM2,077 million (2014: RM1,712 million) on the back of aggressive internet pricing and intense competition.

Our postpaid business enjoyed a strong year following the success of intensive 4G LTE rollout, attractive postpaid packages and on-ground campaigns. Postpaid service revenue grew 2.8% to RM1,775 million (2014: RM1,726 million).

Postpaid internet revenue increased 14.4% to RM763 million (2014: RM667 million) underpinned by stronger postpaid internet customers at 1.4 million (2014: 1.2 million).

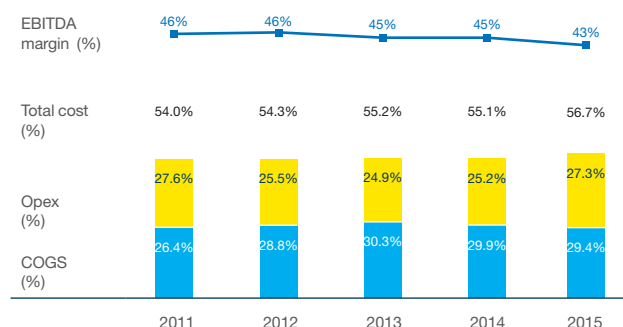
Digi's new prepaid packs continued to garner solid demand although impacted by elevated competition and relatively weaker consumer sentiment. Prepaid service revenue leveled slightly by 0.7% and remained resilient at RM4,573 million while prepaid internet revenue increased 25.8% on the back of higher prepaid internet penetration at 58.9%.

Sales of device and other revenue moderated to RM566 million (2014: RM686 million), as planned, to intensify focus on sim-only subscriptions and more affordable smartphone bundles during the year.

Higher Cost and Margin Pressure from Weaker MYR Currency and Intensified Competition

As a flow through from progressively higher operational and maintenance (O&M) cost from network expansion, increased market activities, intensified competition, further compounded by elevated cost from weaker MYR currency, EBITDA trended lower to RM2,983 million or 43% margin.

Cost and EBITDA (% of Revenue)



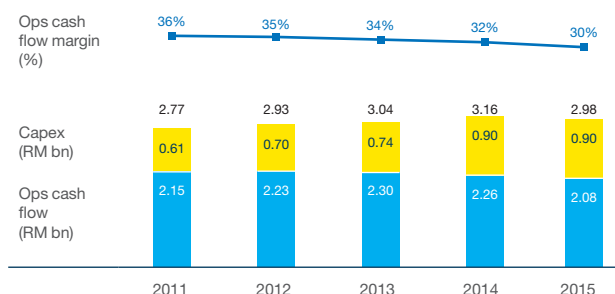
Operational excellence continued to be the cornerstone for Digi to drive resilience amid challenging market conditions to deliver reliable and affordable services to our customers.

At constant foreign exchange rate of RM3.50/USD (2014 year end rate), normalised EBITDA would be RM3,105 million or 45% margin.

Profit after tax stood at RM1,723 million or 25% after accounting for moderated EBITDA, progressively higher depreciation and tax rate reverting back to corporate tax rate.

Strategically Invest to Deliver Quality High Speed Internet and Digital Experiences to Our Customers

Ops Cash Flow and Capex



We continued to invest RM904 million Capex as part of Digi's commitment to deliver the 360° best for internet experience to customers. These investments have anchored our efforts to accelerate our data network, improve our IT and go-to-market structures, and widen our network of service touchpoints in stores and online.

Ops cash flow for the quarter leveled to RM2,079 million or 30% margin as a flow through from moderated EBITDA and after accounting for sustained capex for the year.

Stronger Low Band Spectrum Portfolio for Better Indoor Coverage and Network Efficiency

On 1 February 2016, the Malaysian Communications and Multimedia Commission (MCMC) announced a spectrum assignment of 2 x 5Mhz of 900Mhz band and 2 x 20Mhz of 1800Mhz band to Digi for a tenure of 15 years, with full implementation starting 1 July 2017.

Spectrum Band	Current	New Assignment
900 Mhz	2 x 2 Mhz	2 x 5 Mhz
1800 Mhz	2 x 25 Mhz	2 x 20 Mhz

The improved spectrum portfolio in the 900MHz band will allow for better indoor coverage and service quality experience for our growing customer base nationwide, and narrows the spectrum portfolio gap between industry players for a more level playing field.

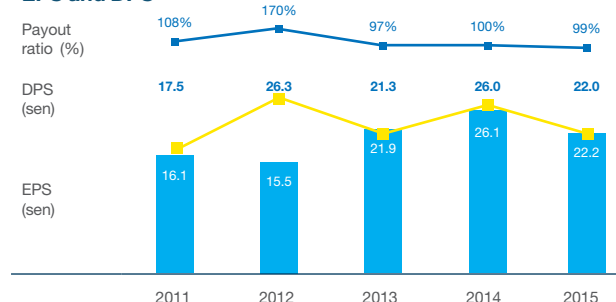
This is a significant step up from the current 900Mhz spectrum portfolio which has restrictive deployment capability for ultra-rural geographical areas.

The certainty on the allocation and tenure of these two bands will also allow for better investment planning and optimal network design.

We note the importance of taking a holistic view on spectrum, and welcome the timely review of 700MHz, 2300MHz and 2600MHz bands by the end of 2016 as having a fair and balanced portfolio is crucial to delivering affordable and quality internet services to meet growing data demands.

Continuous Delivery of Shareholder Value

EPS and DPS



Earnings per share (EPS) remained healthy at 22.2 sen although undermined by softer earnings from challenging market conditions.

OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW (cont'd)

In line with the current year's performance, the Board of Directors has declared a total dividend of 22.0 sen per share equivalent to RM1.71 billion or almost 100% payout ratio.

Our balance sheet remained robust and substantiated by stronger investments on the back of prudent net debt to EBITDA ratio at 0.4x level.

We remain committed to deliver sustainable and profitable revenue growth supported by the investments we are making.

Shaping our future

Although 2015 has been a relatively rough year with unprecedented impact seen from GST, intense competition, weak currency development and economic pressure on consumers' disposable income, Digi delivered within the financial guidance with marginal service revenue growth and normalised EBITDA margin of 45%.

Recognising these challenges moving into 2016 and the current economic outlook, we remain highly committed to delivering greater network presence and capabilities, high-quality internet experience and digital services innovation to enable a richer digital experience for our customers. We will remain steadfast in consistently driving service and customer excellence, raising the performance of our core while unlocking new digital business growth opportunities in the coming year.

In 2016, we aspire to strengthen our foundation towards becoming customers' favourite partner in digital life whilst sustaining service revenue, EBITDA and Capex at 2015 levels. We expect the year ahead to be both exciting and rewarding for our business as we realise the potential from emerging digital service innovations and demand.

Our 2016 financial guidance is summarised below:

	Outlook for 2016
Service revenue	Sustain at 2015 level
EBITDA	
Capex	

These are internal management targets which will be reviewed periodically by the Board. Hence, these internal targets have not been reviewed by our external auditors.

5-YEAR FINANCIAL SUMMARY

	2015	2014	2013	2012	2011
Financial results (RM mn)					
Revenue	6,914	7,019	6,733	6,361	5,964
- Telecommunication revenue					
- Service revenue	6,348	6,333	6,131	5,891	5,619
- Others	64	67	64	65	54
- Sales of device	502	619	538	405	291
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2,983	3,163	3,043	2,929	2,765
Earnings before interest and taxes (EBIT)	2,354	2,671	2,165	1,599	1,597
Interest cost	56	39	43	52	66
Profit before tax	2,309	2,645	2,140	1,591	1,560
Profit after tax	1,723	2,031	1,706	1,206	1,254
Capital expenditure (Capex)	904	904	741	700	610
Ops cash flow	2,079	2,259	2,302	2,229	2,155
Financial positions (RM mn)					
Total assets	4,662	4,303	3,752	4,014	4,863
Non-current liabilities	386	534	657	1,030	859
Total borrowings	1,294	1,048	749	1,080	728
Shareholders' equity	519	686	661	261	1,411
Financial ratios					
EBITDA margin	43%	45%	45%	46%	46%
Return on equity	332.0%	296.1%	258.1%	462.1%	88.9%
Return on total assets	37.0%	47.2%	45.5%	30.0%	25.8%
EPS (sen)	22.2	26.1	21.9	15.5	16.1
DPS (sen)	22.0	26.0	21.3	26.3	17.5
Dividend yield ¹	4.1%	4.2%	4.3%	3.5%	4.6%
Net assets per share (sen)	6.7	8.8	8.5	3.4	18.0
Net debt/EBITDA (x)	0.4	0.2	0.1	0.1	N/A
Interest cover (x)	42.0	68.5	50.3	30.8	24.2

¹ Yield calculated based on share price at year end

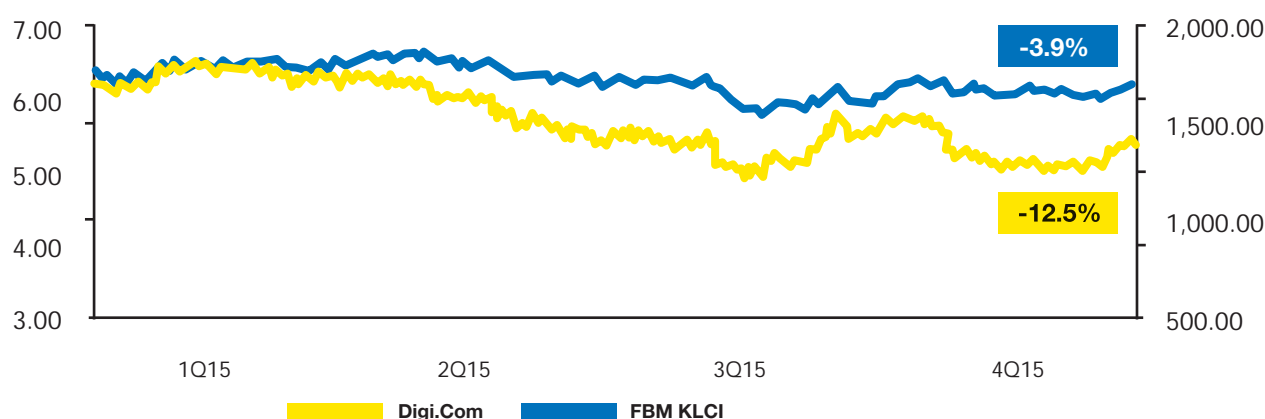
SHARE DEVELOPMENT AND SHAREHOLDINGS

Share Development

In 2015, Digi's share price moderated in line with the downtrend in FBM KLCI as foreign equity funds trimmed their portfolio on weakness of the MYR currency and in anticipation of the Federal Reserve increasing interest rate in the US. With relatively higher exposure to foreign equity funds coupled with industry concerns from prepaid GST complexities and intense market competition, Digi's share price leveled steeper than industry peers.

Share price	1Q15	2Q15	3Q15	4Q15	FY 2015
High Price	6.65	6.47	5.85	5.81	6.65
Low Price	6.10	5.34	4.86	5.00	4.86
Last Price	6.30	5.36	5.55	5.40	5.40
Period-over-Period Change (%)	2.11	-14.92	3.54	-2.70	-12.48
Average Daily Volume ('000)	9,545	11,168	11,991	9,395	10,539

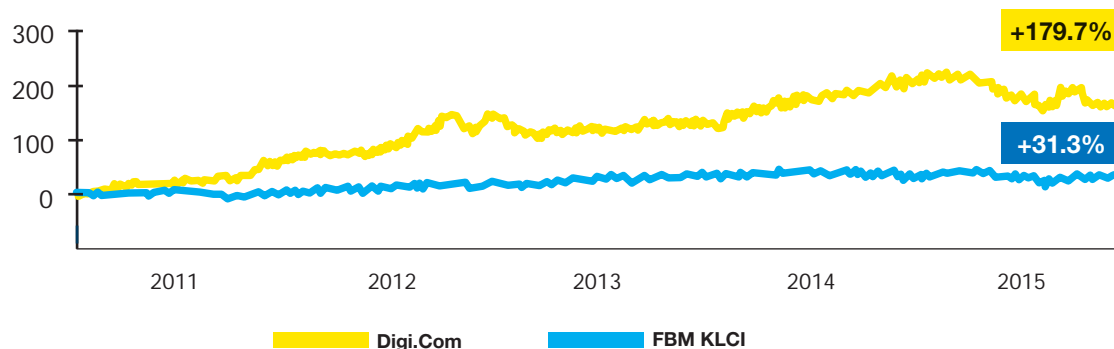
Share Price – Digi.com vs FTSE Bursa Malaysia KLCI (FBM KLCI)



Foreign shareholding: 10.1% (2014: 15.6%)

Digi's total shareholder return continued to outperform the benchmark indices, supported by solid financial performance and healthy dividend payout.

Total Shareholder Return (%) over 5 years (2011 -2015)



Total Shareholder Return (TSR) measures total return arising from capital gains (share price increase) and dividends.

**Statistics on Shareholdings
as at 14 March 2016**

Authorised Share Capital: RM1,000,000,000 divided into 100,000,000,000 ordinary shares of RM0.01 each
 Issued and Paid up Share Capital: RM77,750,000 comprising 7,775,000,000 ordinary shares of RM0.01 each
 Class of Shares: Ordinary shares of RM0.01 each
 Voting Rights: One vote per share

Analysis by Size of Holdings as at 14 March 2016

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	816	2.71	9,773	0.00
100 – 1,000	13,313	44.20	7,827,216	0.10
1,001 – 10,000	12,826	42.58	50,915,880	0.65
10,001 – 100,000	2,380	7.90	67,286,769	0.87
100,001 – 388,749,999 (*)	783	2.60	2,423,922,112	31.18
388,750,000 and above (**)	3	0.01	5,225,038,250	67.20
TOTAL	30,121	100.00	7,775,000,000	100.00

Remark :

* - Less than 5% of issued shares

** - 5% And above of issued shares

**Substantial Shareholders as per Register of Substantial Shareholders
as at 14 March 2016**

Name	Number of Shares			
	Direct interest	%	Deemed interest	%
1. Telenor Asia Pte Ltd	3,809,750,300	49.00	–	–
2. Telenor Mobile Communications AS	–	–	3,809,750,300 ^(a)	49.00
3. Telenor Mobile Holding AS	–	–	3,809,750,300 ^(b)	49.00
4. Telenor ASA	–	–	3,809,750,300 ^(c)	49.00
5. Employees Provident Fund Board	993,044,740	12.77	–	–
6. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	504,020,400	6.48	–	–

Notes:

(a) Deemed interested by virtue of its 100% interest in Telenor Asia Pte Ltd.

(b) Deemed interested by virtue of its 100% interest in Telenor Mobile Communications AS.

(c) Deemed interested by virtue of its 100% interest in Telenor Mobile Holding AS.

SHARE DEVELOPMENT AND SHAREHOLDINGS (cont'd)

List of Thirty (30) Largest Shareholders as at 14 March 2016

No.	Name of shareholders	No. of shares	%
1	Citigroup Nominees (Asing) Sdn Bhd Telenor Asia Pte Ltd (Digi)	3,809,750,300	49.00
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	911,267,550	11.72
3	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	504,020,400	6.48
4	Kumpulan Wang Persaraan (Diperbadankan)	261,078,600	3.36
5	Lembaga Tabung Haji	106,503,200	1.37
6	AmanahRaya Trustees Berhad Amanah Saham Malaysia	94,998,400	1.22
7	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	93,710,300	1.21
8	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An For Eastspring Investments Berhad	77,419,600	1.00
9	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited For Government Of Singapore (C)	63,789,600	0.82
10	Dato Ahmad Sebi Bin Bakar	58,629,330	0.75
11	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	57,943,550	0.75
12	AmanahRaya Trustees Berhad As 1Malaysia	55,289,600	0.71
13	HSBC Nominees (Asing) Sdn Bhd Exempt An For JP Morgan Chase Bank, National Association (U.S.A.)	50,502,050	0.65
14	Time Dotcom Berhad	48,790,545	0.63
15	Cartaban Nominees (Asing) Sdn Bhd Exempt An For State Street Bank & Trust Company (West CLT OD67)	48,657,200	0.63
16	AmanahRaya Trustees Berhad Amanah Saham Didik	45,821,600	0.59
17	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)	43,653,700	0.56

**List of Thirty (30) Largest Shareholders (cont'd)
as at 14 March 2016**

No.	Name of shareholders	No. of shares	%
18	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)	42,583,300	0.55
19	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	42,202,800	0.54
20	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	41,675,490	0.50
21	AmanahRaya Trustees Berhad Public Islamic Dividend Fund	38,938,700	0.44
22	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	34,192,300	0.34
23	AMSEC Nominees (Tempatan) Sdn Bhd Am Trustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-Dali)	26,636,800	0.30
24	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd.	23,732,690	0.30
25	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank Of New York Mellon (Mellon Acct)	23,225,369	0.28
26	AmanahRaya Trustees Berhad Public Islamic Select Enterprises Fund	22,156,800	0.27
27	AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	21,134,600	0.27
28	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Citibank New York (Norges Bank 12)	20,765,100	0.25
29	HSBC Nominees (Asing) Sdn Bhd HSBC BK Plc For Abu Dhabi Investment Authority (Agus)	19,429,500	0.24
30	AmanahRaya Trustees Berhad Public Ittikal Sequel Fund	18,693,900	
TOTAL		6,707,192,874	86.26

OUR YEAR IN A GLIMPSE

12
Jan

Project Pensel

Helped children adversely affected by the East Coast floods with support from STAEDTLER Malaysia. We donated a box of pencils or colour pencils to selected child care centres or primary schools in the region.

22
Jan

Digi Let's Inspire

Introduced a new, refreshed brand with a strong internet and customer focus. Our 'Let's Inspire' tagline anchors our promise to be our customers' source of digital inspiration, a differentiated experience delivered through our four brand propositions of Digi Live, Digi Easy, Digi Value and Best for Internet.



9
Mar

Unlimited Facebook access

Introduced Facebook Access Pass allowing customers to enjoy unlimited Facebook time for as low as RM0.50 a day.

12
Mar

Digi Music Freedom

Launched Digi Music Freedom pass for data-free unlimited music streaming.



1
May

Celebrating 20 years

Rewarded prepaid customers with RM1 million worth of prizes, and another RM1 million giveaways and special rebates for Postpaid and Enterprise customers as part of Digi's 20th Anniversary celebration.

21
May

4G LTE in KV

More than doubled our LTE coverage in Klang Valley, serving 79% of the population.

4
Jun

4G LTE in JB

Brought Digi 4G LTE to Johorians as part of our commitment to fast track 4G LTE rollout nationwide.

26
Jun

4G LTE in Penang

Expanded 4G LTE service in Penang for more Northerners to enjoy consistent, high-speed internet connectivity on-the-go.

1
Jul

New Digi Smart Prepaid

Introduced our new Digi Smart Prepaid pack, enabling users to enjoy free 24-hour internet and social messaging plus unlimited voice calls and SMS to 3 registered Smart Buddyz.



1
Sept

New Digi Best Prepaid

Unveiled a new, improved RM8 Digi Best Prepaid pack that features low rates for calls, IDD and high-speed Internet.



3
Sept

Entertainment on-demand with Iflix

Partnered iflix to enable enjoyment of on-demand entertainment with easy payment of subscriptions through Digi's postpaid or prepaid accounts via integrated mobile carrier billing.

27
Jan

Self-serve on WeChat

Made life a little easier for customers by connecting them to Digi's Official Account on WeChat to check their account status, purchase internet quota, gain access to exclusive rewards and interact with customer service.

12
Feb

First Malaysian CEO

Announced Albern Murty's appointment as Digi's new Chief Executive Officer (CEO) effective 1 April 2015.

4
Mar

Free access to helplines

Digi CyberSAFE offered free calls to 24-hour Talian Nur and Childline 15999 helplines in partnership with Ministry of Women, Family and Community Development Malaysia (KPWKM) and Childline Malaysia.

13
Apr

Strengthened management team

Appointed two new management team members, Kesavan Sivabalan as Chief Network Officer and Orsolya Sekerka as Chief IT Officer, to drive stronger cohesion in delivering Digi's ambitions.

17
Apr

No. 1 LTE network in Sarawak

Expanded our 4G LTE footprint to more areas in Kuching, Miri and Bintulu making Digi the leading 4G LTE network in Sarawak.

22
Apr

Making broadband affordable

Introduced a new, affordable basic broadband plan at RM25 for a monthly data cap of 1GB to enable easy internet access for more Malaysians nationwide.

10
Jun

Kg Internet For All

Launched Digi's second Kg IFA in Kota Bharu, Kelantan, enabling easy access to mobile internet connectivity and ownership of smart devices to rural and underserved communities.

25
Jun

Empower Societies

Unveiled Digi Empower Societies, our renewed commitment to help more segments of society benefit from being connected through seven community programmes. Also introduced Digi Challenge for Change 6, engaging social purpose organisations and solution providers to create digital solutions that address community issues.



13
Jul

More Music Freedom

Announced 10 new music service partners to provide customers with the widest variety of music on their devices with zero data charges.

7
Aug

Telenor Youth Forum

Launched the local edition, calling for passionate youths to share perspectives on how societies can be transformed to build a better digital future for all through easy and equal access to knowledge.

10
Aug

Digi CyberSAFE in Schools #5

Launched 5th Digi CyberSAFE in Schools Programme to build digital resilience and responsible netizens among secondary schoolchildren with a Video Script Competition.



10
Sept

Google Direct Billing

Launched Malaysia's first direct billing facility for Google Play Store, enabling customers to gain access to a library of apps and experience the convenience of worry-free payments with Digi.



29
Sept

6-month Maternity Leave

Announced new 6-month paid Maternity Leave effective 1 Jan 2016, part of ongoing efforts to build an attractive workplace where women can build careers, continue to fill the ranks of our leadership and support their families.

8
Oct

Customer First Day

Over 2,000 Digizens connected with customers nationwide to say thank you, and inspire them to enjoy more digital services during Digi's annual Customer First Day.

12
Oct

Malaysia's Widest 4G LTE Network

Announced Digi's network leadership, serving 50% of the population with 4G LTE and surpassing its year end network coverage target of 45%.

19
Oct

Digital Winners

Selected robotics engineering startup Cytron Technologies to represent Malaysia in the 'Best App in Asia' competition at Telenor's Digital Winners Conference 2015 in Norway.

23
Oct

Field-testing VoLTE

Announced that field-testing was underway for next-generation Voice-over-LTE (VoLTE) on our network with plans to introduce the service and compatible 4G LTE devices in 2016.

30
Oct

Off to Oslo

Selected two youths to represent Malaysia at the Telenor Youth Forum 2015 in Norway to participate in a global dialogue on transforming society through education and digital connectivity.

1
Nov

Parental Guide on Cybersafety

Partnered with UNICEF to launch a parental guidebook to promote safe internet experiences by helping parents understand, recognise potential risks and offer preventive solutions related to issues arising from social media.



17
Nov

#DigiWeWant4G

Launched a twitter campaign putting customers in the driver's seat of network rollout by nominating Top 10 towns to be 4G LTE equipped.

25
Nov

Digi CyberSAFE Nationwide Survey

Released results of the second nationwide survey, 'Growing Digital Resilience among Malaysian Schoolchildren on Staying Safe Online', polling more than 18,000 schoolchildren.

2
Dec

WWWOW Internet For All Awards

Announced top eight winners for our annual Digi WWWOW awards, recognising inspiring Malaysians who showcase creativity, ingenuity and entrepreneurialism in nurturing a thriving digital ecosystem.



19
Dec

First #DigiWeWant4G Tower

Powered up the first people's 4G LTE tower in Setia Alam, in addition to unveiling the Top 10 most voted sites being Jejawi, Lunas, Arau, Batu Gajah, Limbang, Papar, Tenom, Bau and Simpang.



Dear customers,

Thank you for believing in us! We promise to continue bringing you the best in 2016.

AWARDS AND ACCOLADES

Asia's Best Managed Companies 2015

- No. 1, Best Managed Public Companies Category
- No. 1, Best Corporate Governance Category
- No. 3, Best Investor Relations Category
- No. 3, Most Committed to Paying Good Dividends Category
by FinanceAsia

Billion Ringgit Club 2015

- Most Profitable Company (for companies with a market capitalisation of above RM10billion)
- Most Profitable Company, Trading/Services, Hotels, IPC and Technology Category
by The EDGE Malaysia

Frost & Sullivan 2015 Malaysia Excellence Awards

- Mobile Service Provider of the Year
by Frost & Sullivan Malaysia Limited

Brand Finance Top 100 Malaysia Brands 2015

- Ranked No. 9, Malaysia's Top 100 Brands
by Brand Finance

MYCarbon Awards 2015

- Excellence Award, Top Performer for the National Corporate Greenhouse Gas (GHG) Reporting Programme for Malaysia (MYCarbon)
by Ministry of Natural Resources and Environment, Malaysia (NRE) in partnership with the United Nations Development Programme (UNDP) Malaysia

MSWG-ASEAN Corporate Governance Transparency Index, Findings And Recognition 2015

- Excellence Award for ESG Practices, The Malaysian Chapter
by Minority Shareholder Watchdog Group

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015

- Runner-Up, Best Sustainability Report Category
by ACCA Malaysia

FTSE4Good Bursa Malaysia Index 2015

- Recognised for transparent disclosure on corporate responsibility practices
by FTSE Group

The Spark Awards For Media Excellence 2015

- Silver, Best Media Solution – Out of Home Category for “Taken 3” Gets Real with Digi Samsung Note 4 Launch
by Marketing Interactive

2015 Malaysia Media Awards

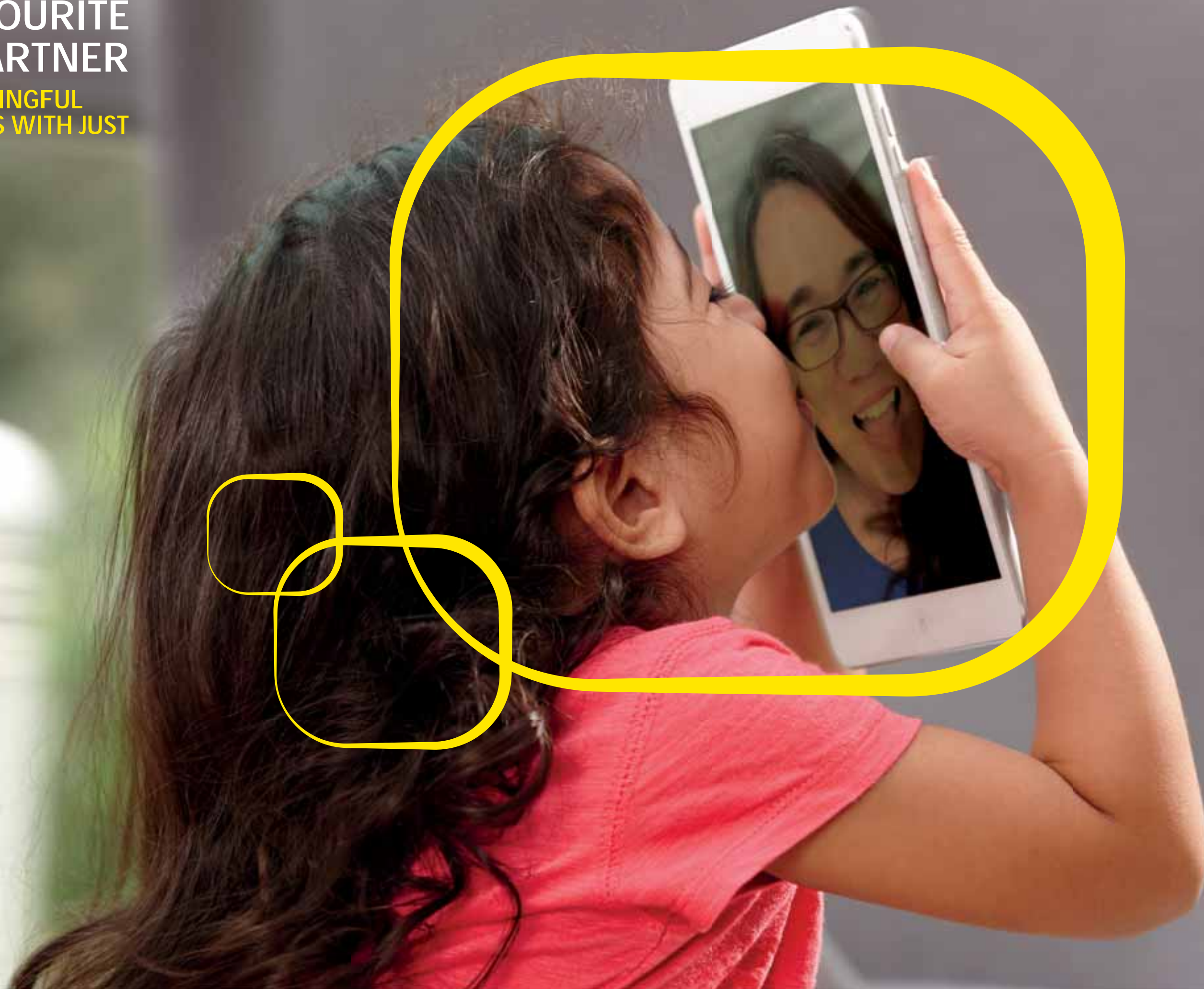
- Silver, Best Use of Radio/Audio for ‘Lalang Sampai Menang’ Campaign
- Finalist, Best Use of Digital Performance Marketing Category for ‘Lalang Sampai Menang’ Campaign
- Finalist, Best Use of Small Budget for Reaching Small Business Owners with SME-vertising
by Media Specialists Association



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A CLICK



SUSTAINABILITY

Our sustainability strategy is driven by Telenor Group's twin pillars of responsible business practices and extending the benefits of mobile connectivity. Aligned to the principles and values of Telenor Way, United Nations Global Compact, and the United Nations Guiding Principles for Business and Human Rights, our sustainability strategy aims to create shared values and catalyse an empowered society through our day-to-day interaction with business partners and stakeholders.

Sustainability is embedded in our way of work through high standards of governance instilled in and across our entire operations. We promote responsible business practices across our supply chain, foster a highly engaged workforce to create a winning team, and manage environmental impacts. Within our immediate

operations, these are managed across divisions, governed by a body of comprehensive policies and processes, and continuously monitored across key business functions.

By engaging our stakeholders, we extend the benefits of mobile internet to more segments of society through our seven Empower Societies community programmes. We have aligned our initiatives with selected United Nations Sustainable Development Goals, especially where we are able to exert influence and bring about change through our business.

Our sustainability initiatives are recognised by external and independent stakeholders. We remain a constituent member of the Bursa Malaysia FTSE4Good Index, which comprises of companies assessed to have high sustainability disclosure.



Responsible and Ethical Business

Our values of being responsible and ethical are deeply embedded in how we do business. We recognise the need to continuously set leadership benchmarks in demonstrating our convictions by upholding these ethical values.

Corporate Governance

We uphold high standards of corporate governance in compliance with national laws, listing requirements of Bursa Malaysia, and as a licensed operator. Our governance framework outlines our corporate values, codes of conduct, governing policies and procedures. In 2015, all 215* new employees signed the Code of Conduct.

Strong integrity culture: Employees and vendors were surveyed by a subsidiary of Transparency International on Digi's business ethics and integrity. The findings indicated a high perception of a strong ethical culture, good awareness of integrity guidelines, and a high likelihood to report misconduct. Action plans have been developed for our leadership team to address five areas of concerns raised in the survey findings.

Extending Integrity Due Diligence: Suppliers within parameters deemed as high risk were required to provide information on their integrity protocols and systems. Suppliers found to have integrity systems below our expectations were engaged, and the Supplier Conduct Principles and contractual obligations reinforced.

Consumer Interests

As we strive to be our customers' favourite partner in digital life, we continue to ensure their rights and privacy are not compromised. Through multiple channels of engagement, we have a deeper understanding of their expectations of Digi as a provider of choice.

Strengthen information security: Privacy is designed into the core of all our products and services. We completed Phase 3 implementation of ISO27000 Certification for Information Security compliance, ensuring that our systems and processes are increasingly robust.

Code of conduct for third party content providers: One of the issues most frequently reported to the Communications and Multimedia Consumer Forum of Malaysia is billing by third party content providers. An audit against MCMC's Mandatory Standard of Mobile Content Services resulted in the suspension of 29 short codes, and termination of four of our third party content providers. We have improved customer's experience by enhancing their control in enrolment and termination of third party services. We are piloting an enhanced authentication process that will further improve customer experience.

Understanding what's important: Project Digi Easy was established to increase our efforts of making things easy for our customers. We reviewed our customers' 360° experience at every service touch point, and implemented 17 ideas that were important to them. This includes introduction of the MyDigi app, and a reduction in average waiting time at our stores among others.

Instilling culture of privacy: We endeavored to instill a culture of respecting privacy from the first day of employment for every Digizen. We also worked and communicated with our vendors and developers to ensure they adhere to high levels of data and personal integrity. This culture is enforced through legal obligations and regular audits.

Responsible Supply Chain

We extend our responsible and ethical values to suppliers and business partners through the Supplier Conduct Principles and the Agreement of Business Conduct (ABC). Our focus is to ensure suppliers meet core International Labour Organisation standards in their work place, and safety of workers among critical suppliers. In 2015, 120* new suppliers signed the ABC.

Digitising safety: The 'Digi Permit To Work' mobile app enabled our teams to have an overview of sites under construction, and empowered our main contractors to share the responsibility for health and safety. Sub-contractors use the app to verify that they have the required safety gears and permits before they are allowed to begin work on a site.

Improving safety performance: With safety officers deployed to our regions, we were able to more than double the number of inspections. We conducted 887 site inspections, of which over 90% were unannounced. Major non-compliance was found in 1% of inspections, while minor non-compliance was found in 16% of inspections, a year-on-year reduction of 16% and 25% respectively. We recorded zero* lost time injury rate among Digizens.

Zero tolerance: We introduced a safety handbook and further equipped our field force teams with the required safety gear. We conducted 2,500 training hours for contractors and organised our first engagement forum with the management of contractors to share experiences, challenges, and business benefits of a safe working environment. Six contractors were terminated due to non-compliance with our health and safety policy. We regret to report one fatality of a worker from a Tier 3 supplier. Following an investigation, mitigation measures to enhance safety were implemented.



Developing common standards: We initiated a meeting with three other mobile operators to explore adoption of common standards and sanctions for contractors in health, safety, security, and environment; and to conduct joint inspections. An agreement to develop a common platform for training and certification was established as an initial partnership and will be rolled out in 2016.

Recognition for Strong Performance on Transparency

- Excellence Award for ESG Practices, MSWG-ASEAN Corporate Governance Transparency Index, Findings and Recognition 2015
- Runner-Up, Best Sustainability Report Category, ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015
- Winner, Ethics and Sustainability Category, Telenor Group Awards 2015
- Recognised for transparent corporate responsibility disclosure, FTSE4Good Bursa Malaysia Index 2015

Winning Team

We are building future ready talents and a culture that inspires everyday innovation. Supported by more than 2,000 Digizens from 12 nationalities, we are cultivating an agile mindset that is devoted to learning new skills and gaining new exposure to successfully drive our continued business transformation.

360° Innovation Culture

New employer promise: 'Freedom to Inspire the Next' encapsulates the experience and culture felt by employees. We enabled this value proposition by committing to an open, supportive and nurturing workplace where every employee's voice is heard, and individuals feel empowered to contribute ideas and opinions no matter their standing to inspire the next big 'anything' for Digi.

Digitising the workspace: We enabled an easier and hassle free workspace by digitising processes and engagement channels, in line with our move to digitise our business. Digizens now provide feedback, stay updated on Telenor news, submit claims, induct new talent, and apply for leave through a slew of new Digi mobile applications on their devices.



Developing Talent

We are building a sustainable leadership pipeline that thrives in a fast evolving market environment. Local talents are nurtured into global leaders through a series of programmes with renowned global institutions to provide differentiated exposure.

Freedom to grow: The Telenor Development Plan process allows every Digizen to map their professional development and learning needs to support business goals. Following a conversation with their manager three times a year, 93%* of Digizens completed their Telenor Development Plan. All internal job opportunities are offered to Digizens to provide them the freedom to grow and gain new experiences.

Leadership pipeline: Through a rigorous and transparent process, high performing Digizens are identified annually for future leadership roles. Future leaders attend regional Telenor leadership programmes and interact with regional business units to develop as local leaders with global outlook.

Enriching mobility assignments: Ten high performing Digizens were given the opportunity to take up mobility assignments within Telenor Group's global network of businesses across 13 markets.

Promote Learning

Digizens are given the freedom to leverage on a range of learning opportunities. Every division has customised training programmes and core competencies roadmap. We place an emphasis on programmes that enhance knowledge and capabilities through project assignments, networking and guided learning.

Launch of D'Academy: We launched an online learning platform offering over 1,500 titles for self-learning based on development needs and interest. Modules on leadership, personal effectiveness, technical and functional knowledge are available to Digizens anytime, anywhere and at their own pace.

Review training providers: Classroom based training was undertaken by 771* employees, of which each employee completed an average 21 hours of training. We conducted an assessment of all classroom based training and a review to ensure the quality of our trainers.

Beyond Diversity

Diversity, coupled with inclusivity, creates an empowered workforce. We are an equal opportunity employer, committed to creating a culture that values, supports and respects inclusivity of all Digizens. We believe the diversity of talent, culture, experience, thoughts, and values create an environment where innovation thrives.

Women in leadership: We adopted a Board Diversity Policy and launched the Women Inspirational Network (WIN) in an ongoing effort to support development, growth and retention of more women leaders. WIN will support professional development of leaders through exposure and engagement with inspirational women, and mentorship by management.

Supporting families: Effective 1 Jan 2016, we implemented a six month fully paid maternity policy as we strive to be the best employer for working mothers.

Strong Engagement

Creating an inclusive atmosphere and a respectful work culture requires consistent engagement, to understand concerns, morale, and sentiments of our employees. Management teams invest significant time with employees and dealers in the region to understand local challenges.

Regular engagement: Quarterly meetings were held between Management with the Digi Telecommunications Sdn Bhd Employees Union (DGEU) and The Best on People Council. These provides formal channels for consultation and collaboration on policies and strategies, to ensure a balance between safeguarding employee welfare and driving productivity.

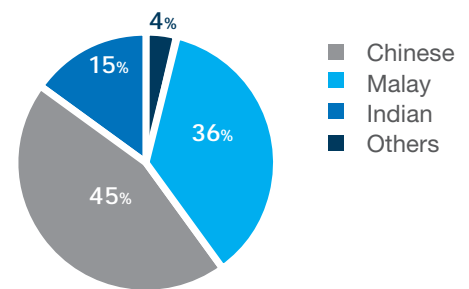
Improved engagement score: Time invested by management to meet, explain, and respond to concerns of employees has resulted in an Employee Engagement Score of 80%. Moving forward, we will measure how well employees are enabled and empowered to go the extra mile given the right resources, tools and processes.

Knowledge of rights: We assisted the DGEU leadership team with organising workshops to understand the roles and responsibility of union representatives. We also organised a workshop, facilitated by UNI Malaysia Labour Centre, to develop a smart partnership strategy between Management and the Union moving forward.

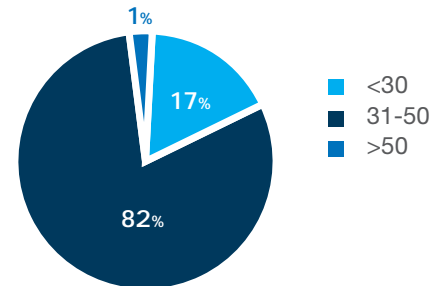
Customer first culture: Over 40 engagement activities were organised to create more awareness, and trigger more conversations with customers and dealers. In addition to our annual flagship Customer First Day, Digizens participated in network drive tests, went undercover as mystery shoppers, spent a day@contact centre, and actively reported network performance through the D'Network buddy app. This contributed to continuous improvements in our net promoter score.



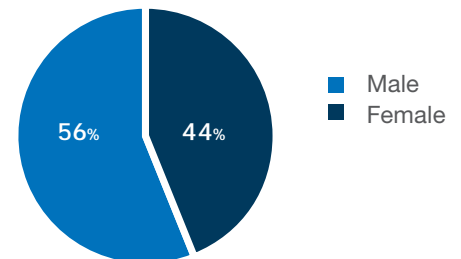
Ethnicity



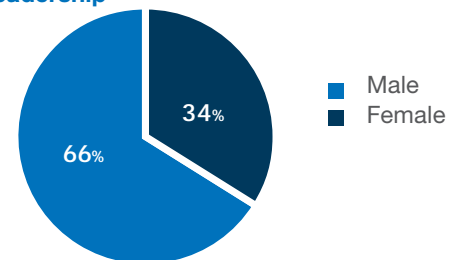
Age



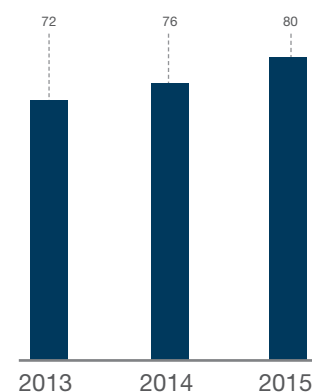
Gender



Gender in Leadership



Employee Engagement Score



SUSTAINABILITY (cont'd)

Empower Societies

Digi Empower Societies is our commitment to enable more digital communities across Malaysia. Through seven flagship initiatives, we reach out to different communities to help more segments of society benefit from being connected.



Nurturing a safer internet for all Malaysian children by building greater digital resilience and responsible digital citizenship

In four years

- More than 100,000 students taught at workshops
- Increased insights on issues and challenges faced by children and parents
- Stronger partner relationships to enhance digital resilience

In 2015

- Empowered 338 teachers, and 18,279* students in 221 schools.
- Which provided insights to 'CyberSAFE™ in Schools 2015 Survey'
- Increased knowledge of websites accessed by schoolchildren on hate, self-harm, weapons, drugs and suicide
- More than 30,000 new Parental Guidebook distributed in partnership with Telenor Group and UNICEF



Partners

Cybersecurity Malaysia, the Ministry of Education, UNICEF and Childline Malaysia



Enabling innovative internet solutions that create sustainable, inclusive socio-economic impact for communities

In six years

- Engaged more than 4,700 social purpose organisations, mobile developers, universities, Malaysians in general
- More than 4,600 social-centric ideas
- More than 130 green and/or digital solutions

In 2015

- Dialogue in the Dark, supported by Genashtim, won the RM250,000 grant
- Piloted a social enterprise virtual call centre operated by visually impaired individuals or persons with disability
- Upskill individuals and provide accessibility for sustainable livelihood by participating in the economy



Partners

Part of the National Blue Ocean Strategy (NBOS) Social Public-Private Partnership initiative led by Agensi Inovasi Malaysia, the Public Private Partnership Unit, and the Ministry of Communications and Multimedia



Empowering women through greater internet adoption and education on basic internet skills, and helping them get their businesses online

In it's first year

- Began outreach via 1Malaysia Internet Centres and NCWO affiliates nationwide
- Commitment to reach 5,000 women



Partners

Ministry of Communications and Multimedia, Malaysian Communications and Multimedia Commission, and National Council of Women's Organisations



Enabling connectivity via mobile internet and WiFi, and easy ownership of smart devices for rural communities

In two years

- Connected 6,500 villagers via mobile internet

In 2015

- Launched second Kg Internet For All at Kampung Chenderong Batu, Kelantan

Partners

Solely powered by Digi



Recognising Malaysian netizens using internet for good, increasing online creativity and entrepreneurship

In five years

- More than 10,000 entries
- More than 500,000 votes cast
- Recognising the good use of internet by up to 60 winners, rewarded with more than RM670,000 cash and in kind

In 2015

- Themed 'Taking Ideas Further'
- Attracted more than 750 entries across eight categories
- Over 14,000 votes cast
- Winners were :
 - Video & Photography : *The Userguide Films*
 - Social Influencers : *Azalia Suhaimi*
 - Independent Publishers : *One Online*
 - Web E-Commerce : *Gigfairy Mobile E-Commerce*
 - Social Media E-Commerce : *The Rebellious Chickpea*
 - Social Impact : *Project Iqra'*
 - Social Gathering : *Stick It To Me*
 - People's Choice Award : *Lee Jinq Rui*
 - Ultimate WWWOW Winner : *Speedrent*



Partners

KFIT, Zalora, Christy Ng, UBER, exponential, Sizmek, TMT, MobMe Asia, EcoKnights, doghouse 73 pictures, and UNICEF



Global platform gathering Asian and European youths to dialogue on the increasing role of digital connectivity in transforming societies

In three years

- Six Malaysian youths have gone to Oslo, Norway to drive conversations on our collective global digital future

In 2015

- Themed 'Knowledge For All', Heidi Quah and Adley Chan represented Malaysia
- Joined peers from 13 countries across Asia and Europe to discuss, empower, and share perspectives on our digital future
- Heidi Quah founded 'Refuge for the Refugees', an NGO looking to create a self-sustaining community-based education programme to empower underprivileged communities
- Adley Chan sought to create an inclusive peer learning community by connecting children from rural and urban areas to enable cross-border sharing of knowledge and learning



Partners

Telenor Group and Nobel Peace Center



Global platform for Malaysian technopreneurs to meet and gain insights from leaders and innovators of media, technology and communications

In three years

- Nine technopreneurs have represented Malaysia in Oslo, Norway

In 2015

- Cytron Technologies' was chosen to represent Malaysia in the 'Best App in Asia' competition
- Developers of an educational robotics kit aimed to assist students and enthusiasts in robotics education

Partners

Telenor Group

SUSTAINABILITY (cont'd)

Climate Change and Environment

We are committed to minimise environmental impacts from our operations. We track, manage and minimise energy use, water consumption, waste generated and increase recycling. We leverage on the advancement of mobile devices and services to support and empower our stakeholders to address environment and climate change.

Energy Efficiency

The use of energy is our largest impact on the environment. Having mapped and understood our energy use, we have progressively invested in energy savings in various aspects of our operations over the past three years to increase efficiency and reduce our carbon footprint.

Electricity consumption: We utilised 264.2* GWh of electricity, a 6.9% year-on-year increase in overall use. Our largest consumption of electricity is in our network, which accounts for over 90% of total energy used. As we rolled out more 4G LTE sites, we saw a 6.6% increase in energy use for our networks. Portable generators used to run base stations have seen an increase of 15.8% in diesel use on our network.

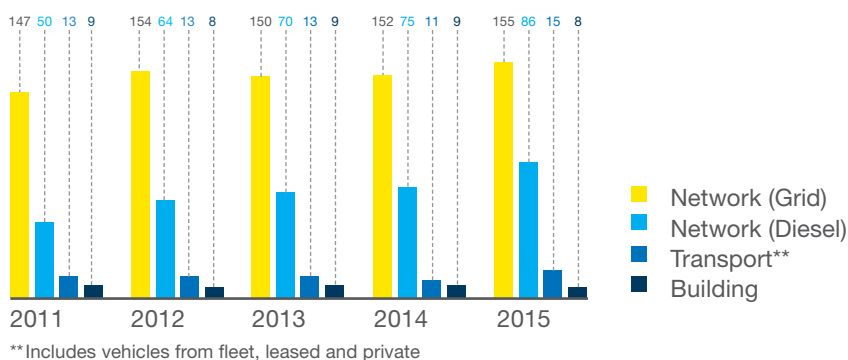
Investment in efficiency: Electricity consumption for building operations and transportation remained stable. We expect further energy savings upon completion of the refurbishment of D'House in 2016, which will meet Leadership in Energy and Environmental Design certification.

Higher energy intensity: Our energy intensity increased by 8.6% to 38.22 MW per RM revenue, resulting in our first upsurge in two years. Although we did not meet our reduction target, we expect to improve energy intensity as 4G LTE expansion stabilises and new data services are monetised.

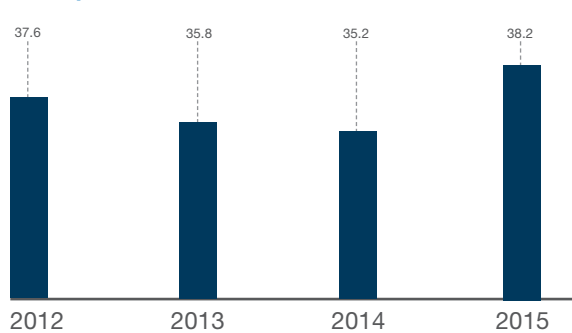
Carbon footprint: Our overall Greenhouse Gas (GHG) emission and carbon intensity remained stable with an increase of less than 1% at 135,262* tonnes CO₂e, and 19.6kg per RM revenue. The lower percentage growth compared to overall GWh consumption is attributed to a 2.1% reduction in emission factor of Malaysia's grid electricity. Our largest GHG emission is from Scope 2, purchased electricity from grid, which accounts for 83% of total emissions.

Testing new technology: A proof of concept (POC) is underway using a modified hybrid hydrogen fuel cell system which extracts water from the atmosphere, and converts hydrogen to power the base station. A three year return of investment is expected from reduction in cost from diesel use, field logistics, site vandalism, and diesel pilferage. The POC is funded by a grant from the Green Technical Working Group under the Malaysia Technical Standard Forum Berhad.

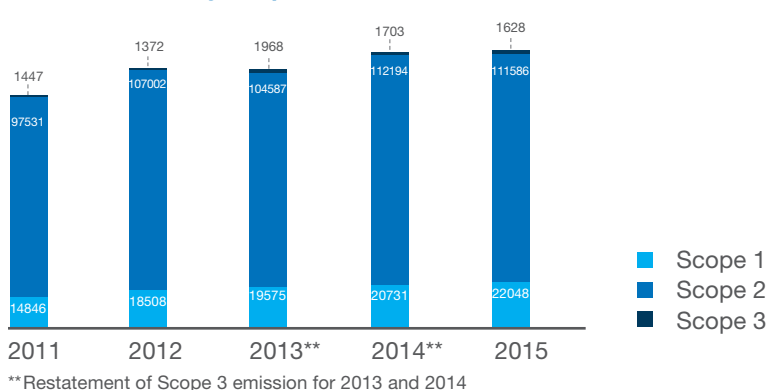
Energy Consumption (GWh)



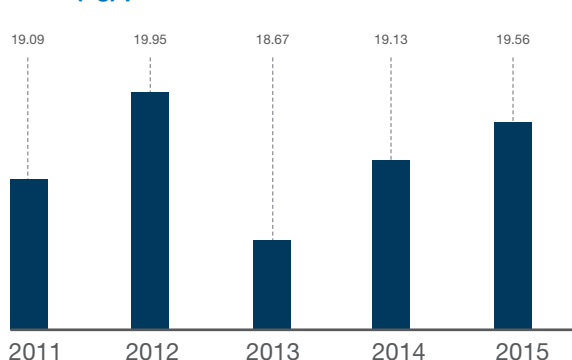
MWh per RM Revenue



GHG Emissions by Scope



CO₂e (kg) per RM Revenue



Environmental Sustainability

We support the environmental sustainability efforts of our stakeholders related to mobile devices and technology equipment. As mobile services advance, we support our stakeholders to leverage these innovations as an enabler of environmental change.

Recycling e-waste: We collected 343 tonnes of decommissioned electronic equipment. In compliance with Telenor Group's requirement on e-waste management, these were reused, recycled or disposed through licensed vendors. We achieved an e-waste recycling rate of 75.8%.

Recycling handphones: We participated in the "Old Phone, New Life" industry recycling programme to recycle one million phones. Handphones were collected in recycling boxes deployed to our stores and NGO partners. We will be introducing a phone trade-in programme to encourage customers to recycle their old phones in the coming year.

Enabler of change: We provided internet-enabled Lenovo Android tablets to 20 youths in Sabah to participate in the UNICEF Voices of Youth Climate Change Digital Mapping project. By documenting and reporting climate change and environmental challenges in their respective communities, Malaysian youths joined their peers from around the world and contributed to discussions at the Climate Change Conference (COP21) and 11th Conference of Youth.

Raising awareness: In our seventh year of partnership with WWF Malaysia, we sponsored 200 customers' participation in the global 'Earth Hour' movement to raise greater environmental awareness. We also introduced a prototype solar powered charging station which is able to charge up to 16 mobile phones and four tablets after five hours of solar charging.



Recognition for Transparency in Carbon Reporting

Excellence Award, Top Performer for the National Corporate Greenhouse Gas (GHG) Reporting Programme for Malaysia (MYCarbon), MYCarbon Awards 2015

The information provided here is a summary of key material issues. For more detailed information on our management approach and sustainability initiatives, please visit www.digi.com/sustainability

Ernst & Young LLP has provided a limited external assurance of select indicators presented in this section of the Annual Report. The limited external assurance opinion can be found on page 149 to 151 of this annual report.

*Ernst & Young LLP reviewed and verified this data.



**YOUR FAVOURITE
DIGITAL PARTNER**

KEEPING CONNECTIONS CLOSER,
NO MATTER WHERE YOU ARE

MALAYSIA'S
WIDEST



NETWORK

DIRECTOR'S PROFILE

Morten Karlsen Sorby **57 years of age, Norwegian**

(Non-Independent Non-Executive Director,
Chairman of the Board of Directors and Chairman of
the Remuneration Committee)

Appointed to Board : 15 March 2013

Career History

Mr Sorby joined Telenor in 1993 where he has held a number of senior positions. He was appointed Executive Vice President and member of the Group Executive Management team in 2003. Mr Sorby has in his capacity as Executive Vice President served as Head of Norwegian Market from 2003 to 2005, Head of Nordic Operations from 2005 to 2009, Executive Vice President and Head of Corporate Development from 2009 to 2011, and Head of Strategy and Regulatory Affairs from 2011 to 2013. He was Chief Executive Officer of Uninor, India in 2014. Mr Sorby is currently Executive Vice President and Acting CFO of Telenor Group. He previously worked at Arthur Andersen & Co in Oslo, Norway.

Other Commitments

Executive Vice President in Telenor Group and Director of Digi Telecommunications Sdn Bhd, Chairman of Telenor Broadcast Board, Board Member of Telenor Norway, Total Access Communication Public Company Limited, and Posten Norge, in addition to a number of subsidiaries in Telenor Group.

Skills & Experience

Mr Sorby has a Master of Science in Business Administration. He is a state licensed public accountant (Norway), and also has qualifications from IMD, in Lausanne, Switzerland.



Save as disclosed, none of the Directors have any:

1. Family relationship with any Director and/or major shareholders of the Company;
2. Conflict of interest with the Company; and
3. Conviction for offences within the past 10 years other than traffic offences.

The details of attendance of each Director at Board meetings are set on Page 61 of the Annual Report.



Datuk Seri Saw Choo Boon

69 years of age, Malaysian

(Independent Non-Executive Director, Chairman of the Audit & Risk Committee, Member of the Nomination Committee)

Appointed to Board : 9 December 2010

Career History

Datuk Seri Saw joined Shell in 1970 as a Refinery Technologist in Shell Refining Company (Federation of Malaya) Bhd. He then served in various capacities in Manufacturing, Supply, Trading and Planning in Malaysia, Singapore and the Netherlands. In 1996, Datuk Seri Saw was appointed Managing Director of Shell MDS (Malaysia) Sdn Bhd. In 1998, he assumed the position of Managing Director for Oil Products (Downstream) Shell Malaysia. In 1999, with the globalisation of the Shell Oil Products business, he was appointed Vice President of the Commercial business in the Asia Pacific region. In 2005, he assumed the Vice President Global Marine position to manage the marketing of oil products to shipping customers globally. He was appointed Chairman of Shell Malaysia from 2006 until 2010, and Senior Advisor until 30 June 2010, when he retired from Shell after 40 years of continuous service.

Other Commitments

Chairman of Guinness Anchor Berhad, RHB Capital Bhd and some private companies, member of the Government's Special Economic Committee, co-Chairman of the Government's Public-Private Sector Special Task Force on Facilitating Business (PEMUDAH) and President of Federation of Malaysian Manufacturers (FMM) Council.

Skills & Experience

Datuk Seri Saw holds a Bachelor of Science Hons (Chemistry) from University of Malaya.



Tore Johnsen

68 years of age, Norwegian

(Non-Independent Non-Executive Director and Member of the Audit & Risk Committee and Remuneration Committee)

Appointed to Board : 15 March 2013

Career History

Mr Johnsen started his career in Telenor in 1974 and held various managerial positions including Head of Telenor Broadcast for four years. He has extensive experience in startup ventures after joining the mobile business area in 1988 and has international experience from various mobile operators both in Europe and South East Asia. He served as the Chief Executive Officer of Digi.Com Berhad and Chief Operating Officer of Digi Telecommunications Sdn Bhd from February 2001 to July 2004. Prior to joining Digi as the Head of Corporate Strategy in January 2000, he served as the Mobile Product Director at Telenor Asia in Singapore. Mr Johnsen was also CEO of Telenor Pakistan Ltd from August 2004 to August 2008, CEO of Total Access Communications PLC (dtac) from August 2008 to March 2011, and CEO of Grameenphone Ltd from March 2011 to January 2013.

Other Commitments

Senior Vice President for Telenor Region Asia, and Director of Total Access Communications PLC (dtac), Telenor Pakistan Ltd, Grameenphone Ltd, Telenor Myanmar Ltd and Digi Telecommunications Sdn Bhd.

Skills & Experience

Mr Johnsen holds a Master of Science from University of Trondheim (1972) in addition to Studies in International Business Management at the Norwegian School of Economics and Business Management (1995).

DIRECTOR'S PROFILE (cont'd)



Yasmin Binti Aladad Khan

58 years of age, Malaysian

(Independent Non-Executive Director,
Chairman of the Nomination Committee)

Appointed to Board : 23 July 2013

Career History

Puan Yasmin pursued a career in banking where she started out as a Credit Analyst and eventually secured a role as Vice President, Corporate and Investment Banking at JP Morgan Chase. She later joined General Electric (GE) Operations Inc as Director, Business Development of GE International Inc, Thailand and Malaysia, and was later promoted to Chief Operating Officer of GE International Inc, Thailand.

She was the Senior Vice President, South East Asia & South Asia for DHL Express overseeing 15 countries in South East Asia and South Asia, with more than 14,000 employees and 160,000 customers until December 2015. Prior to this, she was DHL Malaysia's Country Manager in 2001 and Country Manager in Singapore in 2003. Effective January 2016, she has taken up a new role as Executive Vice President, Asia Pacific (excluding China) & Managing Director, Emerging Markets.

Skills & Experience

Puan Yasmin holds a Master in Business Administration from Aston University, and is currently a member of the Advisory Board of Singapore Management University.



Lars-Ake Valdemar Norling

46 years of age, Swedish

(Non-Independent Non-Executive Director and Member of the
Nomination Committee and Remuneration Committee)

Appointed to Board : 19 August 2015

Career History

Mr Norling joined Telenor in 2006, where he was appointed Head of Telenor Sweden's fixed network, and a year later assumed the position of Chief Executive Officer of Telenor Sweden, a role he held until 2014. Mr Norling was Chief Executive Officer for Digi Telecommunications Sdn Bhd in 2014 and subsequently appointed as Chief Executive Officer of Telenor's Thai business unit, Total Access Communication PLC (dtac) in April 2015. Prior to Telenor, he worked with broadband provider Bredbandsbolaget, where he held a number of senior positions.

Other Commitments

Director of Digi Telecommunications Sdn Bhd.

Skills & Experience

Mr Norling holds a Master of Science in Engineering Physics from Uppsala University and a Master of Business Administration from Gothenburg School of Economics, Sweden.



Kristin Muri Moller
49 years of age, Norwegian

(Non-Independent Non-Executive Director)
Appointed to Board : 4 February 2016

Career History

Ms Moller joined Telenor Group in 1996 as Head of Accounting in Telenor Satellite Services. Since then, she has held various finance positions in Telenor businesses primarily related to media and broadcast, building her vast experience in the areas of accounting, controlling, performance management, governance and internal control, treasury, risk management as well as driving business transformations. She later served as Chief Financial Officer of Broadcast and Canal Digital, a business of Telenor Broadcast from April 2010 to November 2014.

She is presently the Chief Financial Officer of Telenor Denmark with key responsibilities in financial quality assurance and reporting, and business performance management and sourcing.

Other Commitments

Director of Digi Telecommunications Sdn Bhd.

Skills & Experience

Ms Moller holds a Bachelor of Commerce/Business studies from the Norwegian School of Management.



Vimala A/P V.R. Menon
61 years of age, Malaysian

(Independent Non-Executive Director, Member of the
Audit & Risk Committee)
Appointed to Board : 1 July 2015

Career History

Ms Menon is a Chartered Accountant and has had more than 30 years of experience in Finance and General management. She started her career in 1982 and after a brief time in practice she joined Edaran Otomobil Nasional Berhad (EON Berhad) as Manager in the Finance Division in 1984. In 1989 she was promoted to General Manager Finance and then to Director of Finance and Administration in 1990. She served as a Board member of EON Berhad from 1990 to 2006 and subsequently retired in 2007 as Executive Director of Finance and Corporate Services. At various times during this period she also served as a Board member of EON Bank Berhad, Jardine Cycle & Carriage Limited and PT Astra International Tbk. She was Director of Finance and Corporate Affairs at Proton Holdings Berhad from 2008 to 2009.

Other Commitments

Currently Ms Menon is Independent Non- Executive Director for Petronas Chemicals Group Berhad, Petronas Dagangan Berhad and Cycle & Carriage Bintang Berhad. She is also a member of the Board of Trustees of Pemandu Corporation and Prince Court Medical Centre Sdn Bhd.

Skills & Experience

Ms Menon is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Malaysian Institute of Accountants.

MANAGEMENT PROFILES



Albern Murty*

Chief Executive Officer
43, Malaysian

Career History

Albern was appointed Chief Executive Officer on 1 April 2015. Prior to that, he was the Chief Operating Officer of Digi. Since joining Digi in 2002, he has held roles in Project Planning and Controls, Product Management and Product Development, and as Head of Strategy and New Business, Acting Co-Chief Marketing Officer and Chief Marketing Officer. Before Digi, his previous experience includes business and commercial management roles in Lucent Technologies across the Asian region.

Skills & Experience

Albern holds a Bachelor of Science in Marketing and a Bachelor of Science in Advertising Management from Portland State University, Oregon, USA.



Karl Erik Broten

Chief Financial Officer

Career History

Karl joined Digi as Chief Financial Officer in May 2013. He was formerly the Chief Financial Officer at Telenor Pakistan and at Pannon GSM (now Telenor Hungary). He has also held leadership positions in Telenor Norway, Telenor Business Solutions, and in Telenor-owned operations in Russia, among others. He has been with the Telenor Group since 1996.

Skills & Experience

Karl holds a Master of Science in Business Administration, majoring in International Management from Agder University College, Norway.

***The CEO has:**

4,600 interest in shares of Digi.Com Berhad.

***The CEO does not have any of the following:**

1. Directorship of public companies;
2. Family relationship with any Director and/or major shareholders of the Company;
3. Conflict of interest with the Company; and
4. Conviction for offences within the past 10 years other than traffic offences.



Loh Keh Jiat

Chief Marketing Officer (effective 30 March 2016)

Career History

Loh was appointed Chief Marketing Officer on 30 March 2016. Prior to that, he was Chief Sales Officer. He has held other various senior positions within the Marketing Division in his 10 years with Digi. These include Head of Postpaid, Head of Corporate Strategy and Broadband, Head of Product Marketing, and Head of Channels and Regional Management. He has more than 20 years of experience in the telecommunications and accounting industries, having held roles at PT Mobile-8 Tbk Indonesia and PricewaterhouseCoopers prior to joining Digi.

Skills & Experience

Loh is a Chartered Accountant who holds a Bachelor of Business (Accounting) from Monash University, Australia.



Christian Thrane

Chief Marketing Officer (until 29 March 2016)

Career History

Christian was appointed Chief Marketing Officer on 1 January 2014. He joined Digi in June 2010 as Head of Strategy and Business Transformation, and was appointed Chief Strategy and Corporate Affairs Officer in early 2013. Prior to this, he was Head of Market Management of the Consumer Division of Telenor Denmark. Christian joined Telenor Denmark in 2005 as Business Development Manager and was later promoted to Head of Sales and Channel Management in 2007.

Skills & Experience

Christian holds a Master of Science in Economics and Business Administration from the Copenhagen Business School in Denmark.

MANAGEMENT PROFILES (cont'd)



Eugene Teh

Chief Corporate Affairs Officer

Career History

Eugene was appointed Chief Corporate Affairs Officer on 1 January 2014. Formerly, he was a Director at the Performance Management and Delivery Unit (PEMANDU) of the Prime Minister's Department. Eugene previously helmed senior leadership roles in Arthur D. Little, and McKinsey & Co. He was also a senior investment officer at Singapore's Economic Development Board.

Skills & Experience

Eugene holds a Master of Science in Electrical Engineering and Computer Science from University of California Berkeley, USA.



Orsolya Sekerka

Chief IT Officer

Career History

Orsolya was appointed Chief IT Officer on 13 April 2015. She joined Digi in June 2013 as Head of IT Development. Orsolya was formerly the Network Sharing Project Director in Telenor Hungary. There, she also held many different leadership roles in Technology and Business Coordination such as Head of Development, Head of Business Analysis and Project Management, and Head of IT Operations. She has been with Telenor Group since 1999.

Skills & Experience

Orsolya holds a Master of Science in Business Administration from Budapest University of Economic Sciences, Hungary.



Kesavan Sivabalan

Chief Network Officer

Career History

Kesavan was appointed Chief Network Officer on 13 April 2015. He joined Digi as the Head of Technology Operations in August 2013. Prior to Digi, he was the General Manager of Access Network at Vodafone Australia. Kesavan has more than 20 years of experience in the telecommunications industry in several Asian and European markets including Malaysia, Germany, Australia, Cambodia, Vietnam and Bangladesh, working with network vendors like Lucent and Ericsson, and operators like Maxis and Vodafone.

Skills & Experience

Kesavan holds a Bachelor of Business from Deakin University, Australia and a Master of Science in Enterprise Project Management from Stevens Institute of Technology, New York, USA.



Haroon Bhatti

Chief Human Resource Officer

Career History

Haroon was appointed Chief Human Resource Officer on 1 July 2013. Prior to that, he was the Senior Vice President of People Development at Telenor Asia. Formerly, he held leadership positions within Telenor Asia's business units, including Chief People Officer in Grameenphone, Bangladesh and dtac, Thailand. Haroon began his career with the Telenor Group in 2005 with Telenor Pakistan.

Skills & Experience

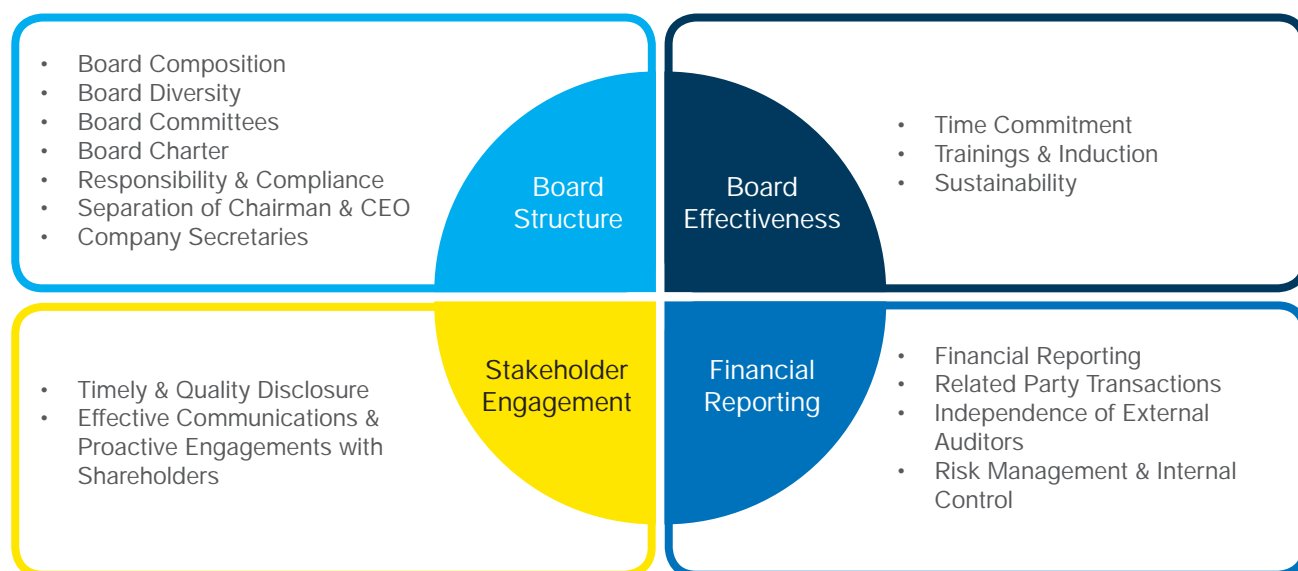
Haroon is a graduate of McGill University in Canada. He holds a Master of Arts in Political Science (International Relations), and a Bachelor of Arts in Economics and Political Science.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of Digi.Com Berhad and its Group of Companies ("Digi" or "the Group") recognises that maintaining good corporate ethics is critical to business integrity and performance, and key to delivering shareholder value.

Digi has complied with the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012

(the "MCCG 2012") and is pleased to share the manner in which the Principles of the MCCG 2012 have been applied within the Group with respect to the financial year ended 31 December 2015 and the extent to which Digi has complied with the Recommendations of the MCCG 2012 during the financial year. The reasons for non-observance of specific Recommendations in the MCCG 2012 during the financial year under review are also included in this Statement.



I. Board Structure

Board Composition and Balance

In leading a telecommunications company, the Board seeks to continually evolve its membership by seeking Non-Executive Directors with diverse and complementary skills and perspectives, as well as experience, reflecting the geographical spread of Digi's operations.

The Board currently has seven (7) Directors, comprising the Chairman (Non-Independent Non-Executive), three (3) Independent Non-Executive Directors and three (3) Non-Independent Non- Executive Directors.

The Chairman, Mr Morten Karlsen Sorby is a Non-Independent Non-Executive Director. Notwithstanding that the Board does not comprise majority Independent Directors where the Chairman is not an Independent Director as recommended in the MCCG 2012, the Independent Directors are able to exercise strong independent judgment and provide balance to the Board with their unbiased and independent views, and advice and judgment to all Board deliberations. The Nomination Committee ("NC") has assessed and held the view that Mr Sorby has and continues to play an effective role as Chairman and Director of Digi. He has consistently

demonstrated strong commitment and judgment in overseeing the management function, looking after the best interests of the shareholders and facilitating Board meetings to ensure that contributions by all Directors are forthcoming on matters being deliberated and that no particular Board member dominated in any of the discussions. This ensures the balance of power and authority within the Board whilst taking cognisance of the interests of minority shareholders and other stakeholders.

Digi does not have term limits for Independent Directors as the Board believes that continued contribution provides benefit to the Board and Digi as a whole.

None of the three (3) Independent Directors has served on the Board for more than nine (9) years.

The Board is satisfied that the current composition of Directors provides the appropriate mix of relevant skills and knowledge, experience, balance and size necessary to promote shareholders' interests and govern Digi effectively. It also fairly represents the ownership structure of Digi, with appropriate representation

of minority interests through the Independent Non-Executive Directors. The Non-Executive Directors contribute international and operational experience, and understanding of the financial and capital markets.

Most of the Directors have experience in the telecommunications industry. A brief description of the background of each Director is presented in pages 46 to 49 of the Annual Report.

Board Diversity

The Board recognises that other aspects of diversity within the Board are also important, and this includes a mix of skills, experience, perspective, gender and age. The evolution of this mix is a long-term process that is deliberated each time a vacancy arises to ensure a balanced and diverse Board composition is maintained. The Diversity Policy aims to set the approach to achieve diversity on Digi's Board and its workforce.

The Board also embraces age diversity to encourage an appropriate mix of perspectives and balance to the Board's insights, experience and approach to decision making. The NC and the Board regularly reviews the composition of the Board to ensure appropriate balance in providing diverse views and to facilitate effective decision making.

In July 2015, Ms Vimala Menon was appointed as Independent Non-Executive Director to replace Dato' Ab. Halim bin Mohyiddin, who retired upon the conclusion of the 18th Annual General Meeting ("AGM") held on 7 May 2015. After the resignation of Mr Hakon Bruaset Kjol on 16 December 2015, Ms Kristin Muri Moller was appointed as Non-Independent Non-Executive Director on 4 February 2016.

Currently, there are three (3) women serving as members of the Board, reflecting a 43% female representation among Non-Executive Directors on the Board. This number exceeds the Malaysian government's target of 30% women participation on boards of public listed companies.

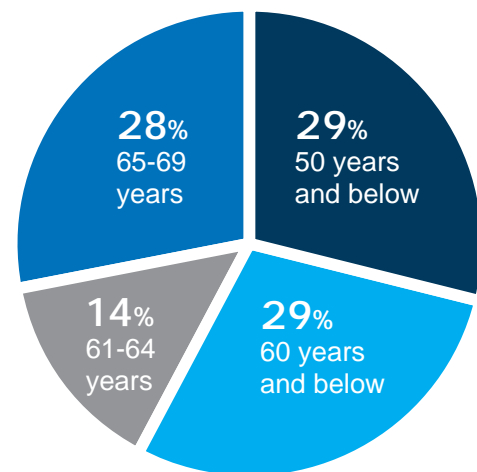
Further information on diversity within the organisation is included in Digi's 2015 Sustainability Report, available at www.digi.com.my/sustainability

The Diversity policy is also accessible on Digi's website: digi.listedcompany.com/misc/factsheet/factsheet_02032016.pdf

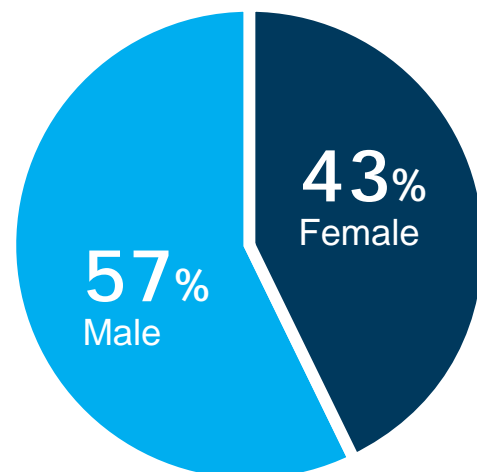
Board Committees

The Board has established three (3) Board Committees, namely the Audit & Risk Committee ("ARC"), Remuneration Committee ("RC") and NC which are entrusted with specific responsibilities to oversee Digi's affairs, with authority to act on behalf of the Board in

Board Age Diversity



Board Gender Balance



STATEMENT ON CORPORATE GOVERNANCE (cont'd)

accordance with their respective Terms of Reference ("TOR"). At each Board meeting, the minutes of previous Board Committee meetings are presented to the Board. The Chairman of the relevant Board Committees also report to the Board on key issues

deliberated at the respective Committee meetings. The ultimate responsibility for decision making, however, lies with the Board.

The composition of the Board Committees are as follows :

Audit & Risk Committee	Nomination Committee	Remuneration Committee
Datuk Seri Saw Choo Boon Chairman, Independent Non-Executive Director	Yasmin Binti Aladad Khan Chairman, Independent Non-Executive Director	Morten Karlsen Sorby Chairman, Non-Independent Non-Executive Director
Tore Johnsen Member, Non-Independent Non-Executive Director	Datuk Seri Saw Choo Boon Member, Independent Non-Executive Director	Tore Johnsen Member, Non-Independent Non-Executive Director
Vimala A/P V.R. Menon Member, Independent Non-Executive Director	Lars-Ake Valdemar Norling Member, Non-Independent Non-Executive Director	Lars-Ake Valdemar Norling Member, Non-Independent Non-Executive Director

The TOR for each of the Committees is accessible on Digi's website at digi.listedcompany.com/misc/factsheet/factsheet_02032016.pdf

- All Board Committees consist of members who are Non-Executive Directors, a majority of whom are independent except for the RC where all its members are non-independent.
- All Board Committees meet as and when necessary and decisions on recommendations can also be made via circular resolutions except for the ARC where the ARC regulates its procedure by formal meeting.
- In carrying out its duties and responsibilities, the Board Committees have:
 - (i) full with unrestricted access to any information, records, properties and personnel of Digi; and
 - (ii) the power to obtain independent professional advice and expertise necessary in order to enable them to discharge their duties effectively.
- All members of the Board Committees have access to the advice and services of the Company Secretary.

Details of the Board Committees attendance are set out on page 61.

Audit & Risk Committee ("ARC")

The details of meetings and activities of the ARC can be found in the ARC Report on page 61 of this Annual Report.

Nomination Committee ("NC")

The Board takes note that the MCCG 2012 recommends that the Chairman of the NC should be a senior independent director identified by the Board. The Board has decided that it is not necessary for Digi to appoint a senior independent director as all the Independent Directors are well qualified and experienced and there is no combination or overlapping of roles between the current Chairman, who is a Non-Executive Director, and the CEO of the Company since these two (2) positions are held by separate individuals. The Board will from time to time, review the recommendation and make the necessary appointment as and when it deems fit.

During the year, the NC met once and all members of the Committee attended the meeting.

The NC assessed the overall effectiveness of the Board, its Committees and the contribution and performance of each individual Director in 2015 on their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance the Board's effectiveness.

Highlights of the NC's activities are as follows:-

(i) Appointments to the Board and Re-election of Directors

The NC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. In 2015, the Board composition was reviewed to identify and close any possible

gap in the Board's functional knowledge and competencies by bringing in new experience, knowledge and expertise to the Board to meet the current and future needs of the Company.

Digi's Articles of Association requires a minimum of two (2) Directors and not more than thirteen (13) unless otherwise determined by shareholders at a General Meeting. Any new Director appointed by the Board during the year is required to stand for re-election at the next AGM.

Other than those Directors appointed during the year, one-third of the remaining Directors are required to retire by rotation and all Directors must submit themselves for re-election at each AGM at least once every three (3) years. The NC is responsible for recommending to the Board those Directors who are eligible for re-election.

The NC assessed and recommended the appointment of Ms Vimala A/P V.R. Menon and Mr Lars-Ake Valdemar Norling in 2015 and Ms

Kristin Muri Moller in February 2016 to the Board. Pursuant to the Articles of Association of the Company, Ms Menon, Mr Norling and Ms Moller will retire at the coming AGM following their appointments.

According to Section 129(1) of the Companies Act, 1965, members of the Board who are over 70 years of age may be re-appointed as a Director to hold office until the next AGM. Currently, none of the Directors of Digi are above 70 years of age.

The NC reviewed the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement of the Directors, for re-election at the forthcoming 19th AGM. The re-election of each Director is voted as a separate resolution during Digi's AGM.

The Directors standing for retirement by rotation and subject to re-election at the forthcoming 19th AGM of the Company are as follows:

Articles of Association	Name	Designation
Article 98(E)	Ms Vimala A/P V.R. Menon	Independent, Non-Executive Director
Article 98(E)	Mr Lars-Ake Valdemar Norling	Non-Independent, Non-Executive Director
Article 98(E)	Ms Kristin Muri Moller	Non-Independent, Non-Executive Director
Article 98(A)	Mr Morten Karlsen Sorby	Non-Independent, Non-Executive Director
Article 98(A)	Mr Tore Johnsen	Non-Independent, Non-Executive Director

Ms Menon, Mr Norling, Ms Moller, Mr Sorby and Mr Johnsen who are due for retirement by rotation pursuant to the Company's Article 98(E) and 98(A) of the Articles of Association, are recommended for re-election by the Board at the forthcoming AGM. Information of the aforesaid Directors are set out on pages 46 and 49 of the Annual Report.

(ii) Performance Evaluation

For the financial year 2015, the Board assessed the effectiveness of the Board, its Committees and the contribution of each Director with the aim of improving individual contribution, effectiveness of the Board and its Committees, identify gaps, maximise strengths and address

weaknesses of the Board. The evaluation includes a review of the administration of the Board and its Committees covering the operation of the Board and its Committees, agendas, reports, information produced for consideration and the Board's relationship with its Committees and Management.

The Board Committees were assessed based on their roles and scope, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their functions. During the year, the Board of Directors, in accordance with Paragraph 15.20 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") reviewed the term

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

of office and performance of the ARC, and each of the members. The Board was satisfied that the ARC and members have carried out their duties in accordance with their terms of reference.

In addition, senior management had participated in the review by providing feedback on areas such as monitoring of strategy and the Board's working relationship with the Management.

Each individual Director undertook a self-assessment of their individual performance during the financial year ended 31 December 2015 based on the criteria of integrity and ethics, experience, knowledge, judgment and decision making, teamwork and character, leadership and competence, understanding of role and time commitment in order to discharge their respective roles as Directors of Digi.

The evaluation process is led by the NC Chairman and supported by the Company Secretary. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees, and self-review assessment. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement.

During the meeting held on 9 March 2016, the NC reviewed and assessed the mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment, composition, size and experience of the Board, including the core competencies of the Directors; the contribution of each individual Director; the independence of the Independent Directors; Board diversity in terms of gender and age; the effectiveness of the Board and the Board Committees; and the retirement of Directors eligible for re-election.

From the assessment, it was concluded that the Board's size is conducive for effective discussion and decision making, and that the Board has an appropriate number of Independent Non-Executive Directors. The Board has the right balance of expertise, skills and attributes including relevant core competencies.

(iii) Annual Assessment of Independence

The Board through the NC assesses the independence of Independent Directors annually using the Level of Independence of Directors' evaluation, which takes into account the individual Directors' ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

Datuk Seri Saw Choo Boon, Puan Yasmin Binti Aladad Khan and Ms Vimala A/P V.R. Menon are Independent Directors. Based on the independence assessment in 2015. The Board is satisfied with the level of independence demonstrated through their engagement in meetings, providing objective challenges to Management, and bringing independent judgment to decisions taken by the Board. The Independent Directors fulfill the criteria of "Independence" as prescribed under Chapter 1 of the MMLR. Digi fulfills the requirement to have at least one-third of the Board comprising Independent Non-Executive Directors.

Remuneration Committee ("RC")

During the year, the RC met once and all members of the Committee attended the meeting.

There were two (2) CEOs during the financial year, namely Mr Lars-Ake Norling, who served from 1 August 2014 until 1 April 2015 and Mr Albern Murty who was appointed as CEO on 1 April 2015. The RC has evaluated Mr Albern Murty as CEO against his set performance criteria and reviewed his compensation package thereof.

The Chairman of the RC was authorised by the Board to determine the compensation package for the CEO.

The Board has established formal and transparent remuneration policies for the Board and its Committees, and procedures for the policies to attract, retain and motivate the Directors. Non-Executive Directors' remuneration reflects the experience, expertise and level of responsibilities undertaken by the Non-Executive Directors.

The Board collectively determined the remuneration for the Independent Directors based on the recommendation from the RC. Each of the Independent Directors abstained from deliberating and voting on their own remuneration. The Non-Independent Non-Executive Directors receive their remuneration from their employing companies within Telenor Group and do not receive any form of remuneration from Digi. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

The remuneration for the Non-Executive Directors comprising of fixed monthly allowances and meeting allowances for the ARC meeting are as follow:

Non-Executive Directors	Directors' Fees (RM)	Meeting Allowances^ (RM)	Total (RM)
Datuk Seri Saw Choo Boon *^	231,940	2,938	234,878
Yasmin Binti Aladad Khan	204,000	Nil	204,000
Vimala A/P V.R. Menon^ (Appointed on 1 July 2015)	102,000	680	102,680
Dato' Ab. Halim Bin Mohyiddin*^ (Retired upon the conclusion of the 18th AGM held on 7 May 2015)	82,836	1,040	83,876
Total	620,776	4,658	625,434

* Includes allowance received from a subsidiary company ^ Meeting allowance is only applicable for ARC meetings

Board Charter

The Board is guided by the principles contained in the MCCG 2012, by the Board's Charter ("Rules of Procedure for the Board") and the Delegation Authority Matrix, which set out the practices and processes in the discharge of its responsibilities, the matters that are reserved for consideration and decision making, the authority that has been delegated to the CEO including the authority limits which the CEO can execute, and provides guidance on the division of responsibilities between the Board and CEO.

The Rules of Procedure for the Board and the Delegation Authority Matrix are reviewed and revised, as and when required, to ensure an optimal structure for efficient and effective decision making in the organisation.

The Rules of Procedure for the Board is accessible on Digi's website: digi.listedcompany.com/misc/factsheet/factsheet_02032016.pdf

Responsibilities of the Board and Compliance

The Board is cognisant of the need to promote and protect the interests of shareholders and stakeholders of Digi. The Board also shoulders the ultimate responsibility of determining the direction of the Group, assisting in the fine-tuning of corporate strategies and ensuring effective execution of these strategies.

The Board shall be involved in any matters that may have a significant impact on Digi's business, including, not limited to, issues within objectives and strategies, operations, finances and employees.

The Board's key areas of focus include:

- approving the annual strategy plan, ambitions and targets for the Group, including addressing the Group's business strategies on promoting sustainability;

- overseeing the conduct of the Group's strategic and business plan;
- deciding on changes to the control structure of Digi, including key policies and authority limits;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- reviewing the adequacy and integrity of the Group's internal controls and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;
- deciding on capital investment and disposal of tangible assets from existing business to third parties;
- deciding on major investments and contracts with significant profit impact;
- approving the annual and quarterly financial results;
- reviewing and approving expenditure which exceeds the authority limits of the CEO and senior management as defined in the Delegation Authority Matrix;
- ensuring all candidates appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of Board members and Board diversity (including gender and age); and
- appointing the positions of CEO and Chief Financial Officer ("CFO"), and succession planning for the CEO and senior management;

Separation of Positions of the Chairman and CEO

There is a clear division of responsibility between the Chairman and the CEO to ensure that there is a balance of power and authority, such that no one individual has unfettered powers over decision making. The Chairman leads the Board with a keen focus on governance and

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

compliance, ensuring its effectiveness. He principally ensures that the Board fulfills its obligations under the Rules of Procedure and as required under the relevant legislations. He also engages directly with the CEO to monitor performance and oversees the implementation of strategies. The Chairman sets agendas for the meetings of the Board that focus on the strategic direction and performance of Digi.

The CEO ensures effective implementation of the Board's policies, achieves strategies and performance targets, exercises high levels of business judgment and manages the relationship with stakeholders, and be the interface with the public. The Board has delegated the authority to achieve the corporate objective to the CEO in accordance with the Rules of Procedure for the CEO and he remains accountable to the Board. The CEO is not a Board member of Digi.Com Berhad to ensure there is a clear distinction between the roles of CEO and the Board, and to prevent conflict of interests. He is supported by Digi Management Team ("DMT") comprising of six (6) members.

Compliance Framework

The Board has adopted and implemented a Code of Conduct ("Code") which reflects Digi's vision and core values of integrity, respect, trust and openness. It provides a clear direction on conducting business, interacting with the community, government and business partners, and general workplace behaviour. It also includes guidance on disclosure of conflict of interests, maintaining confidentiality and disclosure of information, good practices, internal controls and the duty to report where there is a breach of the Code.

All employees including Board members are required to read and acknowledge the Code. Digi's Ethics and Compliance Officer reports regularly to the ARC on the compliance of the Code by Digi and its employees. Ongoing training is provided to employees on the Code, in particular on how to deal with situations involving ethical dilemmas to ensure that they continuously uphold high standards of conduct while performing their duties. In January 2016, Telenor Group further enhanced this area by launching a new Global Ethics & Compliance Hotline service which was made available to all employees and the public allowing the opportunity to speak up on misconduct and/or wrong doing by a Digi employee.

The Ethics and Compliance Officer also handles whistle-blowing cases according to a well-defined process. The Whistle-blowing policy provides an avenue for employees, suppliers, business partners and customers to voice their grievances and raise their concerns about any malpractices involving Digi without any fear of repercussions. In case of illegal or unethical conduct in the workplace, employees can choose to report

it through the Global Ethics & Compliance Hotline, their respective leaders or directly to the Ethics and Compliance Officer.

A copy of the Code is accessible on Digi's website at: www.digi.com.my/aboutus/corporate_overview/governance.do

Company Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions. The Company Secretaries play an advisory role to the Board and are qualified, experienced and competent in performing this duty. The Company Secretaries carry out, among others, the following tasks:

- statutory duties as specified under the Companies Act, 1965 and MMLR and other relevant laws and regulations;
- updating and advising on new statutory and regulatory requirements and the resultant implications to Digi and the Directors in relation to their duties and responsibilities;
- ensuring timeliness of material announcements to be made to Bursa Securities;
- attending and ensuring that all Board and Board Committee meetings are properly convened and proceedings are properly recorded;
- ensuring follow-up on the action points and implementation of the Board's decisions to Management;
- facilitating the provision of information to the Board and Board Committee, and between Non-Executive Directors and management from time to time; and
- supporting the Board in ensuring adherence to Board policies and procedures.

The removal of Company Secretaries, if any, is a matter for the Board to decide collectively.

II. Board Effectiveness

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Meetings for the year are scheduled at the end of the preceding year to enable the Directors to plan ahead and ensure that the Board and its Committee meetings are accounted for in their respective schedules. It provides the scheduled dates for meetings of the Board and Board Committees and the AGM, as well as the closed periods for dealings in securities based on the targeted dates of announcements of the Company's quarterly results. The Board convenes at scheduled meetings and on other occasions to deal with urgent matters. Technology is effectively used in

Board Meetings and in communication with the Board, where Directors may participate in meetings by audio or video conference. Due notice is given for all scheduled and additional meetings.

The breakdown of the Directors' attendance at the Board, various Board Committee meetings and the AGM during the year are set out below:

Name of Directors	Board Meetings 6	ARC Meetings 5	NC Meetings 1	RC Meetings 1	AGM 1
Morten Karlsen Sorby Chairman/Non-Independent Non-Executive Director (Appointed as Chairman on 19 August 2015)	6/6 (100%)	N/A	N/A	N/A	1/1 (100%)
Datuk Seri Saw Choo Boon Independent Non-Executive Director	6/6 (100%)	5/5 (100%)	N/A	N/A	1/1 (100%)
Tore Johnsen Non-Independent Non-Executive Director	6/6 (100%)	5/5 (100%)	N/A	1/1 (100%)	1/1 (100%)
Yasmin Binti Aladad Khan Independent Non-Executive Director	6/6 (100%)	N/A	1/1 (100%)	N/A	1/1 (100%)
Vimala A/P V.R. Menon Independent Non-Executive Director (Appointed on 1 July 2015)	3/3(100%)	2/2(100%)	N/A	N/A	N/A
Lars-Ake Valdemar Norling Non-Independent Non-Executive Director (Appointed on 19 August 2015))	1/2 (50%)	N/A	N/A	N/A	N/A
Hakon Bruaset Kjol Non-Independent Non-Executive Director (Resigned on 16 December 2015)	2/6 (33%)	N/A	1/1 (100%)	1/1 (100%)	0
Sigve Brekke Chairman/ Non-Independent Non-Executive Director (Resigned on 19 August 2015)	2/3 (66%)	N/A	N/A	1/1 (100%)	1/1 (100%)
Dato' Ab. Halim Bin Mohyiddin Independent Non-Executive Director (Retired upon the conclusion of the 18th AGM held on 7 May 2015)	1/1 (100%)	3/3 (100%)	1/1 (100%)	N/A	1/1 (100%)

At Board meetings, the Chairman encourages constructive and healthy debates, and Directors are free to express their views. Any Director who has a direct or deemed interest in the subject matter shall abstain from deliberation and voting on the respective resolution. Decisions of the Board are made unanimously or by consensus. Where appropriate, decisions may be taken by way of Directors' Circular Resolutions between scheduled and special meetings. In 2015, eleven (11)

resolutions ranging from administrative to operational in nature were approved by Directors via Circular Resolutions.

The agenda for the meeting of the Board is set by the Company Secretary in consultation with the Chairman and the CEO. The agenda, the relevant reports and Board papers are furnished to Directors in advance to allow the Directors sufficient time to peruse the

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

materials, thereby facilitating effective discussion and decision making during the meeting. The Board has a regular schedule of matters which are typically on the agenda and is reviewed during the course of the year.

The proceedings of and resolutions passed at each Board and Committee meetings are minuted by the Company Secretaries and kept in the Minutes Book at the registered office.

Directors are to devote sufficient time and effort to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. Directors are to notify the Chairman before accepting any new directorships notwithstanding that the MMLR allows a Director to sit on the boards of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Directors' Training and Induction

The Board emphasises the importance of continuing education for its Directors to ensure that they are equipped with the necessary skills and knowledge to meet the challenges of the Board. All existing Directors have completed the Mandatory Accreditation Programme (MAP) except for Ms Kristin Muri Moller who was appointed on 4 February 2016. The Board, through the NC continues to evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors. The Company Secretary arranges for the Directors' attendance at the training programmes, which are conducted either in-house or by external service providers.

Orientation and familiarisation programmes that include market visits to Digi's business operations and meetings with the DMTs, where appropriate, are organised for newly appointed Directors to facilitate their understanding of Digi's operations and businesses. Regular briefings and workshops are scheduled on various topics for the Board and these sessions are held together with the DMTs in order to encourage open discussion and comments. During the year, the Directors individually or collectively attended conferences, seminars and trainings in the areas of Leadership, Corporate Governance, Finance, Regulatory Development, Information Security, Risk Management and Internal Control and Business Interest.

Sustainability

The Board is mindful of the importance of sustainability. It therefore takes necessary steps to ensure high standards of governance across Digi's operations, managing its environmental, social and governance impact as well as future risks and opportunities in continuing to build a responsible and sustainable business. Digi's sustainability agenda for the year under

review is disclosed on pages 36 to 43 of this Annual Report.

Digi's 2015 Sustainability Report is accessible online at: www.digi.com.my/sustainability

III. Financial Reporting

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965, so as to give a true and fair view of the financial position of Digi as of the reporting date, and financial performance and cash flow for the year. The Directors have prepared the information set out in Note 33 to the financial statements in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to MMLR, as issued by the Malaysian Institute of Accountants.

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 in Malaysia. In this regard, the Board is assisted by the ARC in overseeing and governing Digi's financial reporting processes and the quality of its financial reporting. The ARC meets on a quarterly basis to review the integrity and reliability of Digi's financial statements in the presence of both external and internal auditors, prior to recommending them for the Board's approval. In carrying out this responsibility, the Directors have:

- designed, implemented and maintained internal controls relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error;
- adopted suitable accounting policies and applied them consistently;
- stated whether applicable Financial Reporting Standards in Malaysia have been followed, material departures and disclosures, if any, are explained in the financial statements;
- made judgments and estimates that are reasonable in the circumstances; and
- employed the going-concern principle unless it is inappropriate to presume that Digi will continue its business.

The Directors are responsible for ensuring that Digi keeps proper accounting records which disclose with reasonable accuracy the financial position of Digi and

to enable them to ensure that the financial statements comply with the Companies Act, 1965 and oversees the quality of the financial reporting. The Directors are also responsible for safeguarding Digi's assets and taking reasonable steps to prevent and detect fraud and other irregularities.

As part of the governance process in reviewing the quarterly and annual financial statements by the ARC, the CFO provided assurance to the ARC that adequate processes and controls are in place for an effective and efficient financial statement closing process, that appropriate accounting policies had been adopted and applied consistently, and that the relevant financial statements gave a true and fair view of Digi's state of affairs.

Related Party Transactions

The Board is responsible at all times for determining potential or actual conflict of interest in relation to any matter which comes before the Board.

The Board through the ARC reviews all recurrent related party transactions on a quarterly basis. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolutions in respect to the transaction.

Details of these transactions are set out under Notes 27 to the Financial Statements and also the list of Related Party Transactions on pages 126 to 128 and 141 of this Annual Report.

Independence of External Auditors

Key features underlying the relationship of the ARC with the internal audit function and external auditors are detailed on pages 66 to 70 of the Annual Report. A summary of the ARC's activities during the year are set out on pages 71 to 72 of this Annual Report.

The Board upholds the integrity of financial reporting by Digi and as such, the external auditors have confirmed to the Board their independence in providing both audit and non-audit services up to the date of this statement.

The ARC engages in regular discussions with the senior audit partner from Ernst and Young, and acts as the key representative for overseeing the relationship of Digi with the external auditors. In compliance with the Malaysian Institute of Accountants By-Laws (On Professional Ethics, Conduct and Practice), audit partners are rotated every five (5) years to ensure objectivity, independence and integrity of the audit opinions.

During the year, Ernst and Young charged Digi RM338,000 (2014: RM345,000) for audit services and together with its affiliated companies charged

Digi RM1,579,000 (2014: RM129,000) for non-audit services/assignments.

The external auditors attended all the ARC meetings held to review the Quarterly Results and the financial statements. The ARC also discussed key concerns with and obtained feedback from the external auditors on matters relating to the company's affairs without the presence of the Management. The ARC was satisfied with Ernst and Young's technical competency and audit independence.

Risk Management and Internal Control

The Statement on Risk Management and Internal Control is set out on pages 66 to 70 of this Annual Report.

IV. Stakeholder Engagement

Timely and Quality Disclosure

The Board recognises the importance of effective and timely communication with the investment community. Over the years, the Board remains highly committed to ensure that communication with the investing public regarding the business, operations and financial performance of Digi are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, filed with regulators in accordance with applicable legal and regulatory requirements.

During the year, the Group has developed and adopted, in its Corporate Communications policy, stipulating the authorised channels and personnel through which/whom certain information of Digi shall be approved and disclosed to internal and external stakeholders. The Policy regulates the review and release of information to regulatory authorities, facilitating timely and accurate disclosure of the Group's affairs and includes internal and external corporate communications and investor relations activities. To further enhance the level and quality of disclosure, the Group adopted the Investor Relations, Social Media and Financial Disclosure Guidelines which give specific guidance on the disclosure of material information, maintenance of the confidentiality of information, dissemination of information and communications including that which is transmitted electronically. Technology has also been utilised to increase the effectiveness and timeliness of information dissemination.

Digi's corporate website is a key communication channel for the Group to reach its shareholders, the investment community and the general public. Current information on Digi activities, financial results and major strategic developments are provided on the website. The website further outlines Digi's business principles, Corporate Governance Framework, whistleblowing

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

guidelines and various corporate governance initiatives. The financial results, annual reports, announcements to Bursa Securities, corporate presentations and other information on the Group are available on Digi's corporate website at www.digi.com.my.

Effective Communications and Proactive Engagements with Stakeholders

(i) Annual General Meeting

The AGM is an opportunity for further shareholder engagement and for the Chairman to explain the Group's progress and, along with other members of the Board, to answer any questions. All Directors attend, unless unforeseen circumstances or pressing commitments prevent them from doing so. Attendance of the Directors at the 2015 AGM is provided on pages 61 and details of the 2016 AGM are set out on pages 143 to 146. Digi's AGM, scheduled in May each year, is the primary platform for communication with the widest range of shareholders. Some of the measures to encourage greater shareholder attendance and participation include the following:

- Shareholders who are unable to attend are allowed to appoint a proxy/ies to attend and vote on their behalf. The proxy need not be a shareholder.
- The venue of the AGM is at convenient and easily accessible location with ample parking spaces for shareholders.
- Digi's Investor Relations website contains a number of references to and notices about the AGM.
- Members of the Board as well as the external auditors of Digi are present at the AGM to address any questions or concerns that shareholders may have.

The Chairman, at the commencement of a general meeting, informs shareholders of their right to vote by poll. This is in line with Digi's Articles of Association. Poll voting on Related Party Transactions has been made mandatory by the Listing Requirements. Regardless of the regulatory requirement, Digi prepares polling slips in the event shareholders request for poll voting on any resolution tabled at the general meeting.

At every AGM, the Management presents a comprehensive review of Digi's financial performance for the year and outlines Digi's prospects for the subsequent financial year. Sufficient time is also set aside for shareholders' and Minority Shareholder Watchdog Group (MSWG) queries.

The outcome of the AGM is announced to Bursa Securities on the same meeting day.

Investor Relations

Digi has a strong following and coverage amongst domestic and international institutional investors, fund managers and equity research analysts. Thus, in addition to communicating and engaging shareholders through annual reports, the annual general meeting, timely disclosures and announcements, Digi's Investor Relations function provides an additional channel in managing the Group's relationship with the investment community by communicating and engaging directly with the relevant investors and the investment community broadly, both in Malaysia and internationally. The Investor Relations function enables Digi to maintain its ongoing engagement with the investing community and research analysts through active dialogue and effective communication, which provides comprehensive insights about the Group's business strategies, financial performance and current business initiatives.

The regular dialogues provide comprehensive, transparent and timely information that helps the investing community and research analysts better understand their investment position in Digi and become cognisant with the Group's performance, business strategies and prospects. As part of the Group's commitment towards this objective, experienced Senior Management personnel are directly involved in the Group's investor relations activities. With the active involvement of Senior Management, the investing community is assured of views and information on the Group being appropriate, accurate and timely.

Other than regular meetings, conference calls, site visits, Digi maintains a close connection with its institutional investors, fund managers and analyst networks through investment roadshows and conferences across the globe.

Some of the events in 2015 include:

Venue	Event	Date	Organiser
Kuala Lumpur	Investor conference	6 Jan 2015	CIMB
Singapore	Investor conference	4-5 Mar 2015	Merrill Lynch
Kuala Lumpur/Tokyo	Investor conference	13 Mar 2015	JP Morgan
Digi's HQ	Analyst day	16 Mar 2015	Digi
Kuala Lumpur	Non-deal road show	11 May 2015	CIMB
Tokyo and Hong Kong	Non-deal road show	27 – 29 May 2015	JP Morgan
Hong Kong	Investor conference	4-5 Jun 2015	UBS
United Kingdom	Non-deal road show	24 – 26 Aug 2015	Credit Suisse
Digi's HQ	Analyst day	7 Sept 2015	Digi
Singapore	Non-deal road show	28 – 29 Oct 2015	Macquarie
United States	Non-deal road show	30 Oct – 4 Dec 2015	CLSA

In addition to the above, shareholders and investors can make inquiries about Investor Relations matters to Digi throughout the year.

Contact details

E-mail : Investor_Relations@digicom.my
Phone : +603 5721 1800

The Board is updated on a regular basis on Investor Relations activities, recommendations by analysts, comments from the investment community as well as commentary on share price information and changes to the holdings of substantial shareholders of Digi.

The Board has deliberated, reviewed and approved the Statement on Corporate Governance on 10 March 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed companies is required to include in Digi's Annual Report, a "statement about the state of internal control of the listed issuer as a group". The revised Malaysian Code on Corporate Governance 2012 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. Digi's Board of Directors ("Board") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of Digi during the financial year under review.

Board Responsibility

The Board is responsible for establishing and overseeing Digi's risk management framework and internal control systems. The risk management framework and internal control systems are designed to identify, assess and manage risks that may impede the achievement of business objectives and strategies rather than to eliminate risks. It therefore provides reasonable and not absolute assurance against material misstatement, financial losses or fraud.

The Management is responsible for implementing the Board's policies and procedures on risk management and internal controls.

The Board, through the Audit & Risk Committee ("ARC"), ensures that the risk management and internal control

practices are adequately implemented within Digi, and observes that measures are taken in areas identified for improvement, as part of management's continued efforts to strengthen Digi's risk management and internal control system.

Risk Management

Digi has a Risk Management framework in place to identify, evaluate and manage significant risks that may affect the achievement of Digi's business objectives. An established structured process has been set-up for this purpose where integrated significant risks are reviewed and reported at the Risk Management Forum and ARC meetings on a regular basis to monitor and ensure that adequate measures are taken to mitigate weaknesses in a controlled environment on a timely basis. The Board takes on an oversight role in Digi's risks and regards risk management as an integral part of Digi's business operations.

The monthly Risk Management Forum is chaired by the Chief Financial Officer ("CFO") with the Digi Management Team ("DMT") as members of the forum. DMT, which comprises the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Network Officer ("CNO"), Chief Information Technology Officer ("CIO"), Chief Marketing Officer ("CMO"), Chief Sales Officer ("CSO"), Chief Corporate Affairs Officer ("CCAO") and Chief Human Resource Officer ("CHRO"), is responsible for ensuring key risks are identified, monitored, evaluated and mitigating actions are coordinated and implemented in a timely manner.

Digi's overall risk management framework is provided in the diagram below:



Digi's risk management scope encompasses, inter alia, strategic, financial, operational, network, information systems, health, safety, security and environment ("HSSE"), employees and regulatory matters. The risk management process, and practical guidance on its application, has been documented in the Risk Management Standard Operating Policy and Procedures.

The risk management cycle is depicted in the process flow diagram.



Control Environment and Structure

The following sets out the control environment and its key elements within Digi, which have been in place throughout the financial year, and up to the date of the Directors' Report:



1. Control Activities

• Policies and Procedures

Digi has documented policies and procedures designed to assist and guide operations to implement various requirements as prescribed by law and/or considered best practices. Policies contain key business principles and requirements on selected subject areas while procedures provide more detailed and practical instructions on how to implement the principles in the policies. These policies and procedures are communicated company-wide and made available on the intranet for employees.

• Revenue Assurance

The Revenue Assurance function carried out by the Business Planning department ensures that revenue leakage is minimised by implementing adequate controls and processes through optimal revenue management framework. It covers the cycle of identification, assessment, mitigation and monitoring. Digi has in place automated controls to ensure that usage and profile integrity between the network, mediation, rating and billing is assured and adequately controlled. Key issues and mitigation actions are reported to the DMT on a monthly basis. Processes and controls within the revenue cycle are reviewed regularly to ensure its effectiveness and efficiency.

• Security

The Security department is in charge of compliance investigations, fraud management, authority requests, information security and physical security.

Fraud Management function manages and mitigates the risk of relevant fraud and fraud losses. Some of the key activities involve developing and designing internal fraud controls and these controls are regularly reviewed to ensure relevance and effectiveness. Measures and continuous actions are taken to ensure telecommunication fraud is minimised and the requirement for preventive controls are embedded into the business processes.

The Information Security and Physical Security functions are responsible for achieving and maintaining confidentiality, integrity and availability of information and information processing facilities, including telecommunication systems and infrastructure, and to protect against cyber-crime, fraudulent activities, information loss and other security risks and threats.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

• Controls over Financial Reporting

The Controls over Financial Reporting ("CFR") function in the Accounting and Financial Reporting department plays an important role in evaluating and improving effectiveness of key controls surrounding Digi's financial reporting process. Its primary objective is to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements. Review on Digi's internal control over financial reporting is performed in accordance to Telenor Group's Internal Control over Financial Reporting Framework, which requires assessment on significant accounts and processes based on materiality level, testing and evaluation of the design and operational effectiveness of internal controls included in the scope. The function has robust and continuous monitoring routines to follow up on unaddressed risks and non-operating controls, including periodic reporting to DMT and the ARC on CFR status.

2. Authority

• Organisation Structure

There is a defined organisational structure within Digi, with clear lines of responsibility, authority and accountability, to ensure that Management acts in the best interests of shareholders.

The appointment of a new CEO took effect from 1st April 2015. A new CNO and CIO were also appointed in April 2015, to drive deeper customer and quality focus, and stronger cohesion in delivering on Digi's strategic ambitions.

• Board and Management Committees

Board Committees have been set up to assist the Board to perform its oversight function, namely the ARC, the Nomination Committee, and the Remuneration Committee. These Board Committees have been delegated specific responsibilities, all of which are governed by clearly defined terms of reference. The roles and responsibilities of the ARC are detailed in the Audit & Risk Committee Report on pages 71 to 72, whilst those of the other two committees are detailed in the Statement on Corporate Governance on pages 56 to 59.

Various Management Committees comprising key DMT members have been established to oversee the areas of business operations assigned to them under their respective documented mandates. The Committees are:

- The Investment Committee governs the approval process regarding material capital investments and operating expenditure for Digi.
- The Vendor Selection Committee reviews and approves the vendor evaluation criteria and vendor selection.
- The Commercial Forum governs the decision-making process for commercial issues, and is managed by Marketing.
- The Regulatory Steering Committee monitors compliance on regulatory or industry related projects and/or topics, and tracks the progress of action plans. This Committee meets on a monthly basis.
- The Risk Management Forum reviews and deliberates on the significant risks reported across Digi and makes decisions on the coordinated action plans necessary to mitigate risks. The monthly Forum is chaired by the CFO with DMT as members of the Forum.

• Assignment of Authority

Digi has an established Delegation Authority Matrix ("DAM") which outlines approval authority across key processes such as Operational Assets, Mergers, Acquisitions and Divestiture, Financial Investments and Capital Structure. The DAM is regularly reviewed and approved by the DMT or the Board in accordance to their authority limits, in line with changes in business, structural and operational perspective.

3. Ethics and Compliance

• Code of Conduct

The Code of Conduct is a vital and integral part of Digi's governance regime that defines the core principles and ethical standards in conducting business and engagements with all key stakeholders, and compliance with the law and regulations. The Code of Conduct applies to the members of the Board, employees and those acting on behalf of Digi. All employees are required to sign and confirm that they have read, understood and will adhere to the Code of Conduct. Communication channels are established through which concerns on non-adherence to the Code of Conduct can be safely reported under the "Whistle-blowing" policy.

- **Legal and Compliance**

The Legal department is mandated to manage and address Digi's legal affairs and mitigate legal risks in the performance of its daily business. It plays a key role in identifying, evaluating and formulating strategies on legal risks.

The Ethics & Compliance Officer supports the CEO and the Board in ensuring that:

- The Code of Conduct reflects good business practices and relevant laws, regulations and widely recognised treaties.
- The Code of Conduct is implemented consistently and effectively through sharing of knowledge and measures for quality assurance.
- Compliance incidents are consistently and effectively managed.

Reports on material breaches of the Code of Conduct are made to the ARC on a quarterly basis.

4. Monitoring

- **Board and Management Committees**

- DMT meetings are held on a weekly basis to identify, discuss, approve and resolve strategic, operational, financial and key management issues pertaining to Digi's day-to-day business. Significant changes in the business and the external environment are reported by the DMT to the Board on an ongoing basis and/or during Board meetings.
- Digi's performance management model provides a comprehensive review of business

performance, which includes a review of actual performance against targets.

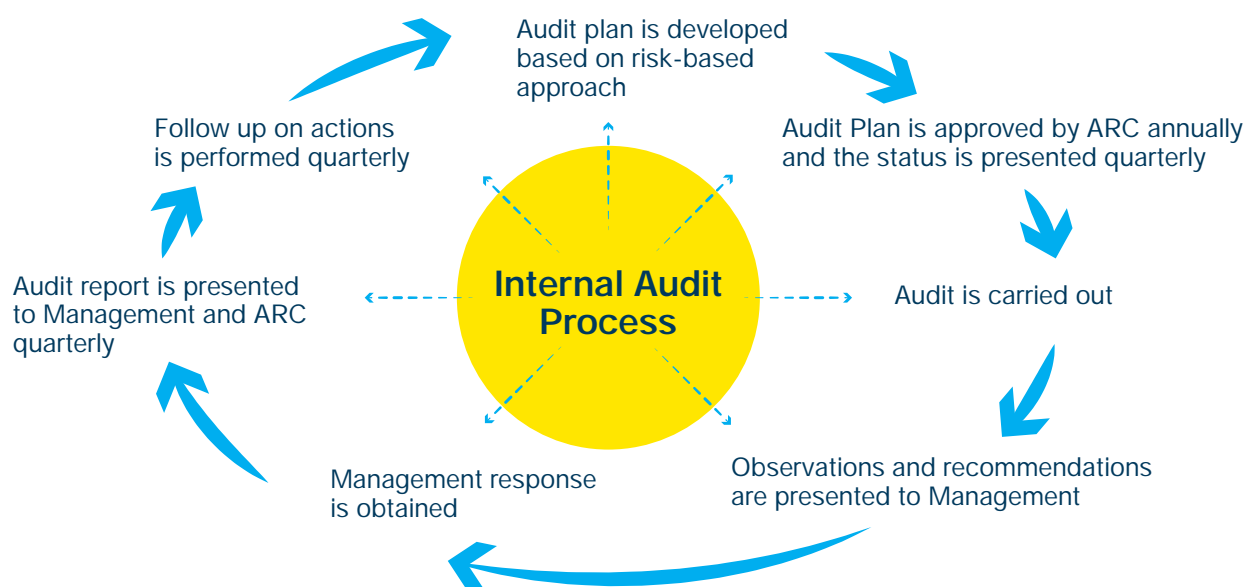
- Quarterly financial results and other information are provided to the ARC to monitor and evaluate business performance.
- The ARC monitors significant internal and external audit issues to ensure they are promptly addressed and resolved.

- **Internal Audit Function**

The Internal Audit department assists both the Board and the ARC by conducting appropriate reviews of key business processes to assess the adequacy and effectiveness of internal control and risk management, and compliance with regulations and Digi's policies and procedures. To ensure independence from Management, the Internal Audit department reports directly to the ARC. The Internal Audit department's practices and conduct are governed by the Audit Charter, which is subject to review and approval on an annual basis by the ARC.

The Audit Plan is developed based on a risk-based approach and is approved by the ARC annually. The status of the Audit Plan is presented to the ARC on a quarterly basis.

The audit reports, including significant findings and recommendations for improvements, and management's responses to the recommendations are highlighted to DMT and, on a quarterly basis reported to the ARC. Adequate measures and actions by management to address improvement areas highlighted are followed-up and reviewed on a quarterly basis.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

The Internal Audit department also maintains a quality assurance and improvement programme, and continuously monitors its overall effectiveness. In 2015, it underwent a Quality Assurance Review by the Institute of Internal Auditors (IIA) Malaysia and was assessed to have complied with the IIA's International Standards for the Professional Practice of Internal Auditing.

Review of this Statement by External Auditors

The external auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2015, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

Conclusion

The Board is of the view that the risk management and internal control practices and processes in place for the year under review and up to the date of this report are sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and Digi's assets, and have received the same assurance from both the CEO and CFO.

AUDIT & RISK COMMITTEE REPORT

Composition and Meetings

The Audit & Risk Committee ("ARC") has three members, all of whom are non-executive directors and a majority of whom are independent, including the Chairman of the ARC. No alternate directors shall be a member of the ARC.

Ms Vimala A/P V.R. Menon is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. The ARC, therefore, meets the requirement of Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Securities ("MMLR").

The Board reviews the terms of office of the ARC members annually. The Board also assesses the performance of the ARC and its members through an annual Board Committee effectiveness evaluation and is satisfied that they are able to discharge their functions, duties and responsibilities in accordance to the Terms of Reference of the ARC.

Details of the ARC members and the attendance of each member at ARC meetings during the financial year ended 31 December 2015 are as follows:

Name	Designation	Meetings attended
Datuk Seri Saw Choo Boon	Chairman, Independent Non-Executive Director	5/5
Tore Johnsen	Member, Non-Independent Non-Executive Director	5/5
Vimala A/P V.R. Menon (Appointed on 1 July 2015)	Member, Independent Non-Executive Director	2/2
Dato' Ab. Halim bin. Mohyiddin (Retired upon the conclusion of the 18th AGM held on 7 May 2015)	Member, Independent Non-Executive Director	3/3

The ARC held five (5) meetings during the financial year ended 31 December 2015. The CEO, CFO and Head of Internal Audit attended all meetings of the ARC to make known their views on any matter under consideration by the ARC, or which, in their opinion, should be brought to the attention of the ARC. The ARC invited relevant Management to attend the meetings to provide further information or details on matters that were discussed.

During the year under review, the ARC held private meetings with the external auditors on two (2) occasions to ensure there were no restrictions on the scope of their audit and to discuss any items that the auditors did not wish to raise in the presence of Management.

Deliberations during the ARC meetings, including the issues tabled and rationale adopted for decisions were recorded. Minutes of the ARC meetings were tabled for confirmation at the following ARC meeting and subsequently presented to the Board for notation. The ARC Chairman conveyed to the Board matters of significant concern as and when raised by the external auditors or Internal Audit department.

Summary of Activities

In early 2016, the Board assessed the effectiveness of the ARC performance for the financial year ended 31 December 2015 and was satisfied that it was operating in an effective manner.

Principal activities performed by the ARC in 2015 were as follows:

Financial Reporting

- Reviewed the quarterly unaudited financial results of Digi before recommending them for approval by the Board of Directors.
- Reviewed the annual audited financial statements of Digi for 2015 with the external auditors prior to submission to the Board of Directors for their approval.

Related Party Transactions

Reviewed recurrent related party transactions entered into by Digi and the disclosure of such transactions in the Annual Report.

AUDIT & RISK COMMITTEE REPORT (cont'd)

Risk Management and Internal Control

- (a) Reviewed the effectiveness of the process for identifying, evaluating and managing business and operational risks and reviewed the annual and quarterly risk profiles.
- (b) Reviewed reports on the adequacy, effectiveness and reliability of controls over financial reporting.
- (c) Reviewed and evaluated management procedures, which are designed to provide assurance of compliance with laws, regulations, policies and Digi's Code of Conduct.
- (d) Reviewed controls relating to revenue assurance and fraud management activities.
- (e) Reviewed the Statement on Risk Management and Internal Control for inclusion in the 2015 Annual Report.

External Audit

- (a) Reviewed the scope of work and tabled to the Board for approval, the engagement letter from the external auditors confirming their independence and objectivity.
- (b) Reviewed external auditor's Management Letter together with Management's responses, in order to be satisfied that appropriate actions are being taken.
- (c) Evaluated the effectiveness of the external auditors and made recommendations to the Board of Directors on their re-appointment and remuneration, subject to the approval of Digi's shareholders at the general meeting. Shareholders in a general meeting authorised the Directors to fix the remuneration of external auditors.

Internal Audit

- (a) Reviewed and approved the Internal Audit Charter.
- (b) Reviewed and approved the annual Audit Plan to ensure adequate scope and comprehensive coverage of Digi's activities.
- (c) Reviewed and deliberated on internal audit reports tabled during the year, the audit recommendations made and Management's response to these recommendations.
- (d) Monitored the implementation of mitigating actions by Management on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are properly addressed.
- (e) Held private meetings with the Head and senior members of the Internal Audit department for discussions on audit related matters and activities of the Internal Audit Department without the presence of Management.
- (f) Reviewed the performance, scope, functions, adequacy and competency of the Internal Audit department including changes to its organisational structure and movements of its members.

Compliance

- (a) Reviewed and monitored the results and status of actions of internal misconduct cases in relation to Digi's Code of Conduct.
- (b) Reviewed the results of the ethics survey and the Anti-Corruption risk assessment exercise performed in 2015.

Internal Audit Function

Internal Audit activities are carried out in-house by the Internal Audit department. The Head of Internal Audit reports directly to the ARC and its principal responsibility is to provide independent and reasonable assurance on the adequacy, integrity and effectiveness of Digi's overall system of internal control, risk management and governance. The ARC determines the adequacy of the scope, functions, competency and resources of the Internal Audit department, which comprised of 7 staff members as at 31 December 2015 and ensures that it has the necessary authority to carry out its work.

The Internal Audit department practices adaptive auditing, which provides the flexibility needed to address current risks as well as potential future risks. This allows its resources and skills to be focused on ensuring alignment with business strategy and goals, thus maintaining relevance and driving continuous improvements within Digi. As part of its activities to ensure continuous relevance to the business units and fulfill the purpose of improving Digi's overall system of internal control, risk management and governance, the Internal Audit department carried out its reviews based on the approved Audit Plan for 2015, which was developed using a risk-based approach and in line with Digi's strategic ambitions. The Audit Plan was assessed on a quarterly basis in alignment with the business and risk environment. Any deviations to the plan was reviewed and approved by the ARC on a quarterly basis. In 2015, the Internal Audit department conducted a wide range of audit assignments covering operational and financial audits, IT and technical audits, and compliance with established procedures and regulatory requirements. Follow-up reviews were performed on the implementation of audit recommendations and the status of implementation was reported to the ARC quarterly.

The total costs incurred for the Internal Audit department for 2015 was RM1,250,680 (2014: RM1,566,920).

Training

The summary training attended by the ARC members during the financial year is reported under the Statement on Corporate Governance on page 62.

The ARC Report is made in accordance with the resolution of the Board of Directors dated 10 March 2016.

Audit & Risk Committee Terms of Reference

The Audit & Risk Committee's ("ARC") Terms of Reference clearly set out the purpose, authority, composition and responsibilities of the ARC. The Terms of Reference seek to ensure that ARC members are aware of their roles and duties and also serve as a clear source of reference to all stakeholders. In order to ensure the continuous relevance of the Terms of Reference, the ARC conducts periodic review of the Terms of Reference when necessary. The full Terms of Reference are available to the public on the Company website: digi.listedcompany.com/misc/factsheet/factsheet_02032016.pdf

ADDITIONAL COMPLIANCE INFORMATION

Other Disclosures

The following information is provided in accordance with Paragraph 9.25 of Main Market Listing Requirements of Bursa Securities as set out in Appendix 9C thereto.

1. Non-Audit Fees

The amount of non-audit fees paid to external auditors for the financial year ended 31 December 2015 is RM1,579,000.

2. Share Buy-Back

Digi had not made any proposal for share buy-back during the financial year.

3. Depository Receipt Programme

Digi did not sponsor any depository receipt programme during the financial year.

4. Imposition of Sanctions/Penalties

There were no material sanction and/or other penalties imposed on Digi, Directors or Management by the relevant regulatory bodies during the financial year.

5. Options, Warrants or Convertible Securities

Digi did not issue any options, warrants or convertible securities during the financial year ended 31 December 2015.

6. Variation in Results

There was no profit estimation, forecast or projection made or released by Digi during the financial year under review. There were no variances of 10% or more between the results for the financial year and the unaudited results.

7. Profit Guarantee

There was no profit guarantees given or received by Digi during the financial year under review.

8. Material Contracts Involving Directors' and Major Shareholders' Interests

There was no material contract by Digi and/or its subsidiaries involving Directors' and major shareholders' interests either subsisting as at 31 December 2015 or entered into since the end of the previous financial year.

9. Recurrent Related Party Transaction of a Revenue or Trading Nature

At the Annual General Meeting ("AGM") held on 7 May 2015, Digi obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2015 are set out on pages 141 of the Annual Report.



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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal Activities

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are stated in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group	Company
	RM'000	RM'000
Profit for the year, attributable to owners of the parent	1,722,550	1,888,808

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The dividends paid by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2014:	
- Fourth interim tax exempt (single-tier) dividend of 7.2 sen per ordinary share, declared on 9 February 2015 and paid on 13 March 2015	559,800
In respect of the financial year ended 31 December 2015:	
- First interim tax exempt (single-tier) dividend of 6.1 sen per ordinary share, declared on 27 April 2015 and paid on 5 June 2015	474,275
- Second interim tax exempt (single-tier) dividend of 5.9 sen per ordinary share, declared on 13 July 2015 and paid on 4 September 2015	458,725
- Third interim tax exempt (single-tier) dividend of 5.1 sen per ordinary share, declared on 26 October 2015 and paid on 4 December 2015	396,525

The Board of Directors had on 5 February 2016, declared a fourth interim tax exempt (single-tier) dividend of 4.9 sen per ordinary share in respect of the financial year ended 31 December 2015 amounting to RM380,975,000. The financial statements for the current financial year do not reflect this fourth interim dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Seri Saw Choo Boon	
Morten Karlsen Sorby	
Tore Johnsen	
Yasmin Binti Aladad Khan	
Vimala A/P V.R. Menon	(Appointed as director on 1 July 2015)
Lars-Ake Valdemar Norling	(Appointed as director on 19 August 2015)
Kristin Muri Møller	(Appointed as director on 4 February 2016)
Dato' Ab. Halim bin Mohyiddin	(Retired as director on 7 May 2015)
Sigve Brekke	(Resigned as director on 19 August 2015)
Hakon Bruaset Kjol	(Resigned as director on 16 December 2015)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Interest

According to the register of directors' shareholdings, the interest of directors in office at the end of the financial year in the shares of the Company or its related corporations during the financial year were as follows:

	Number of ordinary shares of NOK6 each			31 December 2015
	1 January 2015/ date of appointment	Acquired	Sold	
Ultimate holding company Telenor ASA				
Direct interest:				
- Morten Karlsen Sorby	75,883	5,197	–	81,080
- Tore Johnsen	39,306	–	–	39,306
- Lars-Ake Valdemar Norling	26,778	125	–	26,903
Indirect interest:				
- Morten Karlsen Sorby *	682	–	–	682

* Deemed interest through shares held by his spouse pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (cont'd)

Other Statutory Information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company, inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any material contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsequent Event

Details of an event occurring after the reporting date are disclosed in Note 31 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 March 2016.

Datuk Seri Saw Choo Boon
Director

Morten Karlsen Sorby
Director

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Datuk Seri Saw Choo Boon and Morten Karlsen Sorby, being two of the directors of Digi.Com Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 82 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 33 on page 137 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 March 2016.

Datuk Seri Saw Choo Boon
Director

Morten Karlsen Sorby
Director

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Karl Erik Broten, being the officer primarily responsible for the financial management of Digi.Com Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 82 to 137 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above-named Karl Erik Broten at
Kuala Lumpur in Wilayah Persekutuan
on 10 March 2016

Karl Erik Broten

Before me,

INDEPENDENT AUDITORS' REPORT

to the Members of Digi.Com Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Digi.Com Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 82 to 136.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 33 on page 137 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Chong Tse Heng
No. 3179/05/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 March 2016

STATEMENTS OF COMPREHENSIVE INCOME
for the Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Revenue	5	6,913,984	7,018,507	1,888,750	2,005,950
Other income		25,881	19,847	1,559	1,631
Cost of materials and traffic expenses		(2,034,062)	(2,099,253)	–	–
Sales and marketing expenses		(578,820)	(535,332)	–	–
Operations and maintenance expenses		(103,793)	(86,391)	–	–
Rental expenses		(260,608)	(239,637)	–	–
Staff expenses		(262,036)	(247,553)	–	–
Depreciation expenses	11	(512,226)	(375,964)	–	–
Amortisation expenses	12	(129,517)	(116,515)	–	–
Impairment reversal on property, plant and equipment	11	13,869	–	–	–
Other expenses		(718,204)	(666,697)	(1,726)	(1,435)
Finance costs	6	(56,232)	(38,557)	–	–
Interest income		10,509	12,728	284	293
Profit before tax	7	2,308,745	2,645,183	1,888,867	2,006,439
Taxation	8	(586,195)	(614,095)	(59)	(87)
Profit for the year, representing total comprehensive income for the year		1,722,550	2,031,088	1,888,808	2,006,352
Attributable to: Owners of the parent		1,722,550	2,031,088	1,888,808	2,006,352

		Group	
		2015	2014
Earnings per share attributable to owners of the parent (sen per share)	9	22.2	26.1

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	11	2,643,214	2,382,112	–	–
Intangible assets	12	516,684	502,084	–	–
Investment in subsidiaries	13	–	–	772,751	772,751
Other receivable	15	82,005	–	–	–
		3,241,903	2,884,196	772,751	772,751
Current assets					
Inventories	14	116,794	64,542	–	–
Trade and other receivables	15	921,924	733,217	9	10
Derivative financial instruments	16	–	266	–	–
Tax recoverable		148,140	94,904	–	–
Cash and short-term deposits	17	233,557	526,278	925	1,216
		1,420,415	1,419,207	934	1,226
Total assets		4,662,318	4,303,403	773,685	773,977
Non-current liabilities					
Loans and borrowings	18	25,376	243,907	–	–
Deferred tax liabilities	19	325,030	263,425	–	–
Other liabilities	20	35,283	26,949	–	–
		385,689	534,281	–	–
Current liabilities					
Trade and other payables	21	2,056,176	1,840,015	981	752
Derivative financial instruments	16	118	–	–	–
Other liabilities	20	432,418	416,281	–	–
Loans and borrowings	18	1,268,531	803,739	–	–
Tax payable		24	22,950	24	28
		3,757,267	3,082,985	1,005	780
Total liabilities		4,142,956	3,617,266	1,005	780
Equity					
Share capital	22	77,750	77,750	77,750	77,750
Reserves		441,612	608,387	694,930	695,447
Total equity		519,362	686,137	772,680	773,197
Total equity and liabilities		4,662,318	4,303,403	773,685	773,977

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the Financial Year Ended 31 December 2015

	Note	Attributable to owners of the parent			Total
		Share capital	Non-distributable share premium	Non-distributable accumulated losses	
		RM'000	RM'000	RM'000	RM'000
Group					
At 1 January 2014		77,750	691,905	(108,656)	660,999
Total comprehensive income		–	–	2,031,088	2,031,088
Transaction with owners:					
Dividends on ordinary shares	10	–	–	(2,005,950)	(2,005,950)
At 31 December 2014/ 1 January 2015		77,750	691,905	(83,518) ¹	686,137
Total comprehensive income		–	–	1,722,550	1,722,550
Transaction with owners:					
Dividends on ordinary shares	10	–	–	(1,889,325)	(1,889,325)
At 31 December 2015		77,750	691,905	(250,293)¹	519,362

Note: ¹ In the prior years, as part of the Group's capital management initiatives, the Company received dividends in specie from its subsidiary, Digi Telecommunications Sdn. Bhd. ("DTSB"), in the form of bonus issue of redeemable preference shares and capital repayment by DTSB amounting to RM509.0 million and RM495.0 million respectively. The Company has declared part of these as special dividend to its shareholders. The deficit arose from the elimination of these intra-group dividends at Group level.

Attributable to owners of the parent				
Note	Share capital	Non-distributable share premium	Distributable retained earnings	Total
	RM'000	RM'000	RM'000 (Note 24)	RM'000
Company				
At 1 January 2014	77,750	691,905	3,140	772,795
Total comprehensive income	–	–	2,006,352	2,006,352
Transaction with owners:				
Dividends on ordinary shares	10	–	(2,005,950)	(2,005,950)
At 31 December 2014/ 1 January 2015	77,750	691,905	3,542	773,197
Total comprehensive income	–	–	1,888,808	1,888,808
Transaction with owners:				
Dividends on ordinary shares	10	–	(1,889,325)	(1,889,325)
At 31 December 2015	77,750	691,905	3,025	772,680

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		2,308,745	2,645,183	1,888,867	2,006,439
Adjustments for:					
Amortisation of intangible assets	12	129,517	116,515	–	–
Allowance for impairment on trade receivables	15(a)	42,407	32,998	–	–
Inventories written down		2,289	1,108	–	–
Dividend income		–	–	(1,888,750)	(2,005,950)
Depreciation of property, plant and equipment	11	512,226	375,964	–	–
Impairment reversal on property, plant and equipment	11	(13,869)	–	–	–
Finance costs	6	56,232	38,557	–	–
Gain on disposal of property, plant and equipment		(311)	(6,695)	–	–
Property, plant and equipment written off		62	–	–	–
Interest income		(10,509)	(12,728)	(284)	(293)
Provision/(reversal of provision) for employee leave entitlements		1,536	(2,304)	–	–
Employee benefits					
- share-based payment		1,628	1,878	–	–
- defined benefit plan		80	36	–	–
Fair value loss on derivative financial instruments		384	545	–	–
Unrealised foreign exchange gain		(12,526)	(2,827)	–	–
Operating cash flows before working capital changes		3,017,891	3,188,230	(167)	196
Increase in inventories		(54,541)	(7,198)	–	–
(Increase)/decrease in trade and other receivables		(306,954)	(155,353)	1	(1)
Increase/(decrease) in trade and other payables		218,652	105,765	229	(96)
Increase in deferred revenue		14,601	24,647	–	–
Cash generated from operations		2,889,649	3,156,091	63	99
Advance payment for bandwidth		(83,125)	–	–	–
Interest paid		(56,392)	(36,348)	–	–
Proceeds from government grants		75,859	80,406	–	–
Payments for provisions		(177)	(152)	–	–
Taxes paid		(600,752)	(500,996)	(63)	(99)
Net cash generated from operating activities		2,225,062	2,699,001	–	–

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(896,535)	(899,701)	–	–
Dividends received from a subsidiary		–	–	1,888,750	2,005,950
Interest received		10,681	12,641	284	293
Proceeds from disposal of property, plant and equipment		315	7,446	–	–
Net cash (used in)/generated from investing activities		(885,539)	(879,614)	1,889,034	2,006,243
Cash flows from financing activities					
Repayment of loans and borrowings		(746,000)	(1,196,000)	–	–
Repayment of obligations under finance lease		(7,739)	(7,471)	–	–
Drawdown of loans and borrowings		1,000,000	1,500,000	–	–
Dividends paid	10	(1,889,325)	(2,005,950)	(1,889,325)	(2,005,950)
Net cash used in financing activities		(1,643,064)	(1,709,421)	(1,889,325)	(2,005,950)
Net (decrease)/increase in cash and cash equivalents		(303,541)	109,966	(291)	293
Effect of exchange rate changes on cash and cash equivalents		10,820	5,233	–	–
Cash and cash equivalents at beginning of financial year		526,278	411,079	1,216	923
Cash and cash equivalents at end of financial year	17	233,557	526,278	925	1,216

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The principal place of business is located at Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan. The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The immediate and ultimate holding companies are Telenor Asia Pte Ltd and Telenor ASA, incorporated in Singapore and Norway respectively. The ultimate holding company is listed on the Oslo Stock Exchange, Norway.

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are stated in Note 13.

Related companies refer to companies within the Telenor Asia Pte Ltd and Telenor ASA group of companies.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2015 as described fully in Note 3(a).

The financial statements of the Group and of the Company have been prepared on the historical cost convention unless otherwise indicated in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if, and only if, the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

2. Significant Accounting Policies (cont'd)

(b) Basis of Consolidation (cont'd)

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

(c) Investment in Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(d) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment, except for freehold land and capital work-in-progress, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item includes expenditure that is attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of the replaced part is then derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss as incurred.

Freehold land has an unlimited useful life and is therefore not depreciated. Capital work-in-progress representing assets under construction, is also not depreciated as these assets are not yet available for its intended use. Depreciation of other property, plant and equipment is computed on a straight-line basis to write down the cost of each asset to its residual value over the estimated useful life, at the following annual rates or periods:

Freehold buildings	2.0%
Leasehold land and buildings	30 to 99 years
Motor vehicles	20.0%
Computer systems	20.0% - 33.3%
Furniture and fittings	20.0%
Telecommunications network	3.3% - 33.3%

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate, to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment, and Depreciation (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit and loss in the year the asset is derecognised.

(e) Intangible Assets

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least during each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated prospectively as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit and loss.

Intangible assets not yet available for use are tested for impairment annually, or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit ("CGU") level. Such intangible assets are not amortised.

Any gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit and loss when the asset is derecognised.

(i) 3G Spectrum

Expenditure for the acquisition of the 3G spectrum are capitalised under intangible assets. The amount is amortised using the straight-line method over the shorter of the asset's estimated useful life or remaining spectrum period up to 1 April 2018.

(ii) Computer Software

Costs incurred to acquire computer software, that are not an integral part of the related hardware, are capitalised as intangible assets and amortised on a straight-line basis over the estimated useful life of five years.

(iii) License Fee

License fees are capitalised and amortised over the period of the licenses. The license fees had been fully-amortised in the financial year ended 31 December 2009.

(f) Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying amounts of the assets with their recoverable amounts.

For intangible assets not yet available for use, the recoverable amount is estimated at the end of each reporting period, or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit ("CGU") level.

2. Significant Accounting Policies (cont'd)

(f) Impairment of Non-financial Assets (cont'd)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, namely a CGU.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units, if any and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount, and the impairment loss is recognised as an expense in profit and loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(g) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of trading merchandise comprises costs of purchases and other incidental costs incurred in bringing these merchandise to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

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31 December 2015

2. Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

The Group and the Company determine the classification of financial assets at initial recognition and classify their financial assets in the following categories - at fair value through profit or loss and loans and receivables, as appropriate. The Group and the Company do not have any financial assets that are held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading purposes or are designated as such upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss.

Derivatives embedded in host contracts, if any, are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with any gain or loss arising from changes in fair value being recognised in profit and loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group and the Company's loan and receivables comprise receivables and cash and short-term deposits. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(i) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables include the Group's past experience of collecting debts, and reduced collection rates for specific ageing buckets.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

2. Significant Accounting Policies (cont'd)

(i) Impairment of Financial Assets (cont'd)

Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at banks and licensed banks deposits with a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts, if any, that form an integral part of the Group's cash management.

(k) Provision for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability to the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Employee Leave Entitlements

Employees' entitlement to annual leave are recognised when the associated services performed by employees increase their entitlements to annual leave. A provision is made for the estimated liability for the annual leave as a result of services rendered by employees up to the end of the reporting period netted off against annual leave utilised to date.

(ii) Site Decommissioning and Restoration Costs

Provision for site decommissioning and restoration costs is in respect of management's best estimate on the costs necessary to be incurred to decommission the Group's telecommunications network infrastructure and restore the previously occupied sites.

The estimated amount is determined after taking into consideration the time value of money, and the initial estimated sum is capitalised as part of the cost of property, plant and equipment. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(iii) Defined Benefit Plan

Provision for defined benefit plan for eligible employees is as disclosed in Note 2(o)(iii).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant Accounting Policies (cont'd)

(I) Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities, as appropriate in the statements of financial position, according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Management determines the classification of financial liabilities of the Group and the Company upon initial recognition.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading purposes and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading purposes if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss.

(ii) Other Financial Liabilities

The Group's other financial liabilities include trade and other payables, and loans and borrowings.

Trade and other payables are initially measured at fair value plus directly attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Loans and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Borrowing costs are recognised in profit and loss as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Significant Accounting Policies (cont'd)

(m) Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

The attributable incremental transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(n) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the period in which they are incurred. All other leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments, net of any incentives received from the lessor, are recognised as an expense in profit and loss on a straight-line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(o) Employee Benefits

(i) Short-term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulated compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences netted off against annual leave utilised to date, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur. Where payment or settlement is deferred and the effect of the time value of money is material, these amounts are discounted to their present value.

(ii) Defined Contribution Plan

As required by law, companies in Malaysia make contributions to the state-defined contribution pension scheme known as the Employee Provident Fund, and will have no legal or constructive obligation to make further contributions in the future, over-and-above what is existingly legally required. The contributions are recognised as an expense in profit and loss in the period which the related services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant Accounting Policies (cont'd)

(o) Employee Benefits (cont'd)

(iii) Defined Benefit Plan

The Group operates an unfunded defined benefit plan for its eligible employees. The benefits are calculated based on the length of service and the agreed percentages of eligible employees' salaries over the period of their employment and are payable upon resignation after completion of the minimum employment period of ten years or upon retirement age of fifty five years. The Group's obligations under the retirement benefit scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income in the period in which they occur and recorded in defined benefit reserve. Remeasurements are not reclassified to profit and loss in subsequent periods.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment; or
- The date that the Group recognises restructuring related costs.

Net interest and other expenses relating to defined benefit plans are calculated by applying the discount rate to the net defined benefit liability or asset and recognised in profit and loss.

The Group amended the defined benefit plan effective 1 January 2006 to restrict new entrants into the plan, and the benefits payable to be calculated based on the employees' length of service up to 31 December 2005.

(iv) Share-based Payment

The Group operates a scheme to award its eligible employees with the Company's shares. The eligible employees, who have served for more than ten years, are entitled to a certain number of shares which are directly acquired under the employees' names in the open market. The maximum entitlement of this benefit is capped to a certain amount as determined by the Group. The transactions are recorded as share-based cash-settled transactions, and the expense recognised under this scheme is determined by-way of reference to the number of employees qualifying for the scheme, the number of shares entitled and the market price of the shares; the total of which is capped at the maximum entitlement during the financial year.

(p) Income Taxes

Income tax recognised for the year comprises current and deferred tax.

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Significant Accounting Policies (cont'd)

(p) Income Taxes (cont'd)

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the financial statements.

(r) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's business activities, net of discounts and service taxes. The Group recognises revenue when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Telecommunication Revenue

Revenue relating to provision of telecommunications and related services are recognised net of rebates and discounts upon the transfer of risks and rewards when goods are delivered and services are performed. Revenue from services that have been sold to customers but where services have not been rendered at the reporting date is deferred.

(ii) Sales of Device

Revenue from sale of device is recognised when significant risks and rewards of ownership of the device have been passed to the customer, usually on delivery and acceptance of the device.

(iii) Interest Income

Interest income is recognised on a time-proportion basis that reflects the effective yield on the asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant Accounting Policies (cont'd)

(r) Revenue Recognition (cont'd)

(iv) Dividend Income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(s) Government Grants

As a Universal Service Provider ("USP"), the Group is entitled to claim certain qualified expenses from the Malaysian Communications and Multimedia Commission ("SKMM") in relation to USP projects. These claims are treated as government grants and recognised at their fair values where there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

A grant relating to the asset is recognised as income over the life of the depreciable asset by way of a reduced depreciation charge. Grant relating to income is recognised in profit and loss by crediting directly against the related expense.

(t) Foreign Currency Transactions

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements of the Group are presented in RM, which is also the functional currency of all entities in the Group.

(ii) Foreign Currency Transactions

Transactions in foreign currencies are initially converted into RM at exchange rates prevailing at the date of transaction. At each reporting date, foreign currency monetary items are translated into RM at exchange rates prevailing at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(u) Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 28(f).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

2. Significant Accounting Policies (cont'd)

(u) Fair Value Measurement (cont'd)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(v) Current Versus Non-current Classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2. Significant Accounting Policies (cont'd)

(v) Current Versus Non-current Classification (cont'd)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(w) Segment Reporting

The Group provides mobile communication services and related products to customers across the country and its services and products essentially have similar risk profile. Business activities of the Group are not organised by product or geographical components and its operating result is reviewed as a whole by its management. Accordingly, there is no separate segment, as disclosed in Note 30.

3. Changes in Accounting Policies

(a) Adoption of New and Revised MFRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2015.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014

The adoption of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

3. Changes in Accounting Policies (cont'd)

(b) Standards Issued but Not Yet Effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred to unspecified date
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 15 Revenue from contracts with customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118: Revenue, MFRS: 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

3. Changes in Accounting Policies (cont'd)

(b) Standards Issued but Not Yet Effective (cont'd)

MFRS 15 Revenue from contracts with customers (cont'd)

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The directors anticipate that the application of MFRS 15 will have an impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

MFRS 9 Financial instruments

In November 2014, MASB issued the final version of MFRS 9: Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139: Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

4. Significant Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty

There were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

Management makes key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The following represents a summary of the critical accounting estimates and the associated key sources of estimation uncertainty:

(a) Useful Lives of Property, Plant and Equipment and Intangible Assets

Depreciation and amortisation are based on management's estimates of the future estimated useful lives and residual values of property, plant and equipment and intangible assets. Estimates may change due to technological developments, modernisation initiatives, expected level of usage, competition, market conditions and other factors, which could potentially impact the average useful lives and the residual values of these assets. This may result in future changes in the estimated useful lives and in the depreciation or amortisation expenses. A 5.0% difference in the expected useful lives of these assets from management's estimates would result in approximately 1.6% (2014: 1.0%) variance in the Group's profit for the year. The carrying amounts of property, plant and equipment and intangible assets at the reporting date are disclosed in Note 11 and Note 12 respectively.

(b) Impairment of Loans and Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant reduction in collection rates.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's trade and other receivables at the reporting date are disclosed in Note 15. If the present value of estimated future cash flows varies by 5.0% from management's estimates, the Group's allowance for impairment will cause either a 0.1% (2014: 0.1%) increase or 0.2% (2014: 0.1%) decrease respectively in the Group's profit for the year.

4. Significant Accounting Estimates and Judgements and Key Sources of Estimation Uncertainty (cont'd)

(c) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date; changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in profit and loss in the period in which actual realisation and settlement occurs. The carrying amount of deferred tax liabilities is disclosed in Note 19.

(d) Provisions for Liabilities

Provision for site decommissioning and restoration costs are provided based on the present value of the estimated future expenditure to be incurred for dismantling the inactive sites. Significant management assumption and estimation are required in determining the discount rate, the estimated life cycle and the expenditure to be incurred for dismantling each network infrastructure sites. Where expectations differ from the original estimates, the differences will impact the carrying amount of provision for site decommissioning and restoration costs. The carrying amount of provision for site decommissioning and restoration costs at the reporting date is disclosed in Note 20.

5. Revenue

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Telecommunication revenue	6,411,725	6,399,789	–	–
Sales of device	502,259	618,718	–	–
Dividend income from a subsidiary	–	–	1,888,750	2,005,950
	6,913,984	7,018,507	1,888,750	2,005,950

6. Finance Costs

	Group	
	2015	2014
	RM'000	RM'000
Interest expense on:		
- Loans and borrowings	51,542	33,523
- Obligations under finance lease	3,366	4,035
- Others	1,324	999
	56,232	38,557

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7. Profit Before Tax

Profit before tax is derived after deducting/(crediting):

		Group		Company	
	Note	2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Allowance for impairment on trade receivables	15(a)	42,407	32,998	–	–
Auditors' remuneration:					
- statutory audit		338	345	30	28
- other services*		1,579	129	8	8
Non-executive directors' remuneration:					
- fees		621	624	63	63
- other emoluments		5	4	–	–
Employee benefits:					
- defined contribution plan		29,124	27,268	–	–
- defined benefit plan	23	80	36	–	–
- share-based payment		1,628	1,878	–	–
Lease of transmission facilities		151,447	158,486	–	–
Provision/(reversal of provision) for employee leave entitlements	20	1,536	(2,304)	–	–
Inventories written down		2,289	1,108	–	–
Rental of equipment		22	42	–	–
Rental of land and buildings		241,827	222,518	–	–
Realised foreign exchange loss		38,262	6,818	–	–
Unrealised foreign exchange gain		(12,526)	(2,827)	–	–
Fair value loss on derivative financial instruments		384	545	–	–
Gain on disposal of property, plant and equipment		(311)	(6,695)	–	–
Property, plant and equipment written off		62	–	–	–
Bad debts recovered		(11,538)	(9,357)	–	–
Waiver of debt		–	–	(1,559)	(1,631)
Interest income		(10,509)	(12,728)	(284)	(293)

* Fees for other services were incurred in connection with performance of agreed upon procedures, regulatory compliance reporting, tax and advisory services paid or payable to member firms of Ernst & Young Global Limited.

7. Profit Before Tax (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following band is analysed below:

	Number of directors	
	2015	2014
Non-executive directors:		
- Nil	5	4
- Below RM100,000	1	–
- RM100,001 - RM200,000	1	1
- RM200,001 - RM300,000	2	2

8. Taxation

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2015 and 2014 are:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income:				
Income tax:				
- Current tax expense	519,558	627,253	73	87
- Under/(over) accrual in prior years	5,032	(86,575)	(14)	–
Total income tax	524,590	540,678	59	87
Deferred taxation (Note 19):				
- Relating to origination and reversal of temporary differences	67,004	57,745	–	–
- (Over)/under accrual in prior years	(5,399)	15,672	–	–
Total deferred tax	61,605	73,417	–	–
Income tax expense recognised in profit or loss	586,195	614,095	59	87

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8. Taxation (cont'd)

Reconciliations of income tax expense/rate applicable to profit before tax at the statutory income tax rate to income tax expense/rate at the effective income tax rate of the Group and of the Company are as follows:

	2015		2014	
	%	RM'000	%	RM'000
Group				
Profit before tax		2,308,745		2,645,183
Taxation at Malaysian statutory tax rate	25.0	577,186	25.0	661,296
Effect of changes in statutory tax rate	(0.6)	(13,542)	–	–
Effect of expenses not deductible for tax purposes	1.0	22,918	0.9	23,702
Under/(over) accrual of income tax expense in prior years	0.2	5,032	(3.3)	(86,575)
(Over)/under accrual of deferred tax expense in prior years	(0.2)	(5,399)	0.6	15,672
Effective tax rate/income tax expense recognised in profit or loss	25.4	586,195	23.2	614,095
Company				
Profit before tax		1,888,867		2,006,439
Taxation at Malaysian statutory tax rate	25.0	472,217	25.0	501,610
Income not subject to tax	(25.0)	(472,144)	(25.0)	(501,523)
Over accrual of income tax expense in prior year	–	(14)	–	–
Effective tax rate/income tax expense recognised in profit or loss	–	59	–	87

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the year. The domestic statutory tax rate will be reduced from 25% to 24% with effect from year of assessment 2016 as announced in the 2014 Budget. The computation of deferred tax as at 31 December 2015 has reflected these changes.

9. Earnings Per Ordinary Share

Earnings per ordinary share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	2014
Profit attributable to owners of the parent (RM'000)	1,722,550	2,031,088
Weighted average number of ordinary shares in issue ('000)	7,775,000	7,775,000
Basic earnings per share (sen)	22.2	26.1

No diluted earnings per ordinary share was presented as the Group does not have any convertible instrument, options, warrants and their equivalents.

10. Dividends

	Group/Company	
	2015	2014
	RM'000	RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- Fourth interim tax exempt (single-tier) dividend (2014: 7.2 sen; 2013: 7.0 sen)	559,800	544,250
- First interim tax exempt (single-tier) dividend (2015: 6.1 sen; 2014: 6.2 sen)	474,275	482,050
- Second interim tax exempt (single-tier) dividend (2015: 5.9 sen; 2014: 6.4 sen)	458,725	497,600
- Third interim tax exempt (single-tier) dividend (2015: 5.1 sen; 2014: 6.2 sen)	396,525	482,050
	1,889,325	2,005,950

Interim dividend declared subsequent to the reporting date (not recognised as a liability as at 31 December):

Dividends on ordinary shares:		
- Fourth interim tax exempt (single-tier) dividend (2015: 4.9 sen; 2014: 7.2 sen)	380,975	559,800

The Board of Directors had on 5 February 2016, declared a fourth interim tax exempt (single-tier) dividend of 4.9 sen per ordinary share in respect of the financial year ended 31 December 2015 amounting to RM380,975,000. The financial statements for the current financial year do not reflect this fourth interim dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

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11. Property, Plant and Equipment

	Freehold land	Long- term leasehold land	Short- term leasehold land	Freehold buildings	Long- term leasehold buildings	Short- term leasehold buildings	Motor vehicles	Computer systems	Furniture and fittings	Tele- communi- cations network	Capital work-in- progress	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost												
At 1 January												
2015	29,638	7,502	7,578	138,740	7,365	6,866	21,302	409,613	174,037	3,669,753	328,586	4,800,980
Additions	-	-	-	-	-	-	7,456	-	1,856	65,735	684,478	759,525
Disposals	-	-	-	-	-	-	(2,229)	(1,583)	(203)	-	-	(4,015)
Write offs	-	(190)	(13)	(10,725)	-	-	-	(7,988)	(25,697)	(110,521)	(62)	(155,196)
Transfers	-	-	-	-	-	-	-	27,975	17,795	711,284	(757,054)	-
At 31 December												
2015	29,638	7,312	7,565	128,015	7,365	6,866	26,529	428,017	167,788	4,336,251	255,948	5,401,294
Accumulated depreciation and impairment losses												
At 1 January												
2015:												
Accumulated depreciation	-	1,340	2,703	18,196	611	2,834	16,078	319,693	138,959	1,904,585	-	2,404,999
Accumulated impairment losses	-	-	-	-	-	-	-	-	398	13,471	-	13,869
	-	1,340	2,703	18,196	611	2,834	16,078	319,693	139,357	1,918,056	-	2,418,868

11. Property, Plant and Equipment (cont'd)

	Freehold land	Long- term leasehold land	Short- term leasehold land	Freehold buildings	Long- term leasehold buildings	Short- term leasehold buildings	Motor vehicles	Computer systems	Furniture and fittings	Tele- communi- cations network	Capital work-in- progress	Total
Group (cont'd)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment losses (cont'd)												
Depreciation expenses for the year	–	228	137	11,448	67	108	2,766	33,882	20,474	443,116	–	512,226
Reversal of impairment loss	–	–	–	–	–	–	–	–	(398)	(13,471)	–	(13,869)
Disposals	–	–	–	–	–	–	(2,229)	(1,580)	(202)	–	–	(4,011)
Write offs	–	(190)	(13)	(10,725)	–	–	–	(7,988)	(25,697)	(110,521)	–	(155,134)
At 31 December 2015	–	1,378	2,827	18,919	678	2,942	16,615	344,007	133,534	2,237,180	–	2,758,080
Analysed as:												
Accumulated depreciation	–	1,378	2,827	18,919	678	2,942	16,615	344,007	133,534	2,237,180	–	2,758,080
	–	1,378	2,827	18,919	678	2,942	16,615	344,007	133,534	2,237,180	–	2,758,080
Carrying Amount												
At 31 December 2015	29,638	5,934	4,738	109,096	6,687	3,924	9,914	84,010	34,254	2,099,071	255,948	2,643,214

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11. Property, Plant and Equipment (cont'd)

	Freehold land	Long- term leasehold land	Short- term leasehold land	Freehold buildings	Long- term leasehold buildings	Short- term leasehold buildings	Motor vehicles	Computer systems	Furniture and fittings	Tele- communi- cations network	Capital work-in- progress	Total
Group (cont'd)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost												
At 1 January												
2014	29,638	7,502	7,578	138,740	7,365	6,866	20,852	389,937	153,575	3,090,723	266,391	4,119,167
Additions	-	-	-	-	-	-	3,663	-	684	107,214	700,224	811,785
Disposals	-	-	-	-	-	-	(3,213)	(1,179)	(141)	(77)	-	(4,610)
Write offs	-	-	-	-	-	-	-	(21,315)	(6)	(104,041)	-	(125,362)
Transfers	-	-	-	-	-	-	-	42,170	19,925	575,934	(638,029)	-
At 31 December												
2014	29,638	7,502	7,578	138,740	7,365	6,866	21,302	409,613	174,037	3,669,753	328,586	4,800,980
Accumulated depreciation and impairment losses												
At 1 January												
2014:												
Accumulated depreciation	-	1,278	2,575	15,477	543	2,726	13,938	309,752	124,882	1,687,085	-	2,158,256
Accumulated impairment losses	-	-	-	-	-	-	-	-	398	13,471	-	13,869
	-	1,278	2,575	15,477	543	2,726	13,938	309,752	125,280	1,700,556	-	2,172,125

11. Property, Plant and Equipment (cont'd)

	Freehold land	Long- term leasehold land	Short- term leasehold land	Freehold buildings	Long- term leasehold buildings	Short- term leasehold buildings	Motor vehicles	Computer systems	Furniture and fittings	Tele- communi- cations network	Capital work-in- progress	Total
Group (cont'd)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment losses (cont'd)												
Depreciation expenses												
for the year	–	62	128	2,719	68	108	4,603	32,435	14,224	321,617	–	375,964
Disposals	–	–	–	–	–	–	(2,463)	(1,179)	(141)	(76)	–	(3,859)
Write offs	–	–	–	–	–	–	–	(21,315)	(6)	(104,041)	–	(125,362)
At 31 December 2014	–	1,340	2,703	18,196	611	2,834	16,078	319,693	139,357	1,918,056	–	2,418,868
Analysed as:												
Accumulated depreciation	–	1,340	2,703	18,196	611	2,834	16,078	319,693	138,959	1,904,585	–	2,404,999
Accumulated impairment losses	–	–	–	–	–	–	–	–	398	13,471	–	13,869
	–	1,340	2,703	18,196	611	2,834	16,078	319,693	139,357	1,918,056	–	2,418,868
Carrying Amount												
At 31 December 2014	29,638	6,162	4,875	120,544	6,754	4,032	5,224	89,920	34,680	1,751,697	328,586	2,382,112

- (a) The Group acquired property, plant and equipment with an aggregate cost of RM759.5 million (2014: RM811.8 million) of which RM7.1 million (2014: RM4.7 million) relates to the provision for site decommissioning and restoration costs, as disclosed in Note 20.
- (b) Government grants of RM93.8 million (2014: RM46.9 million) relating to assets, were deducted before arriving at the carrying amount of property, plant and equipment as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

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12. Intangible Assets

	3G spectrum	Computer software	Licenses	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2015	695,066	711,562	1,300	1,407,928
Additions	–	144,117	–	144,117
Write offs	–	(1,328)	–	(1,328)
At 31 December 2015	695,066	854,351	1,300	1,550,717
Accumulated amortisation				
At 1 January 2015	448,632	455,912	1,300	905,844
Amortisation expenses for the year	75,826	53,691	–	129,517
Write offs	–	(1,328)	–	(1,328)
At 31 December 2015	524,458	508,275	1,300	1,034,033
Carrying amount				
At 31 December 2015	170,608	346,076	–	516,684
Group				
Cost				
At 1 January 2014	695,066	890,673	1,300	1,587,039
Additions	–	92,634	–	92,634
Write offs	–	(271,745)	–	(271,745)
At 31 December 2014	695,066	711,562	1,300	1,407,928
Accumulated amortisation				
At 1 January 2014	372,807	686,967	1,300	1,061,074
Amortisation expenses for the year	75,825	40,690	–	116,515
Write offs	–	(271,745)	–	(271,745)
At 31 December 2014	448,632	455,912	1,300	905,844
Carrying amount				
At 31 December 2014	246,434	255,650	–	502,084

13. Investment in Subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Unquoted shares at cost	772,751	772,751

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of company	Percentage of ownership interest held by the Group		Principal activities
	2015	2014	
	%	%	
- Digi Telecommunications Sdn Bhd ("DTSB")	100	100	Establishment, maintenance and provision of telecommunications and related services
- Pay By Mobile Sdn Bhd	100	100	Dormant
Subsidiaries of DTSB:			
- Digi Services Sdn Bhd	100	100	Dormant
- Djuice.Com Sdn Bhd	100	100	Dormant

14. Inventories

	Group	
	2015	2014
	RM'000	RM'000
Merchandise:		
- At cost	111,456	60,822
- At net realisable value	5,338	3,720
	116,794	64,542

During the financial year, the amount of inventories recognised as an expense in cost of materials of the Group was RM639.1 million (2014: RM722.2 million).

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15. Trade and Other Receivables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-current				
Prepayments	82,005	–	–	–
Current				
Trade receivables	349,386	326,355	–	–
Other receivables	221,139	74,854	4	4
Deposits	150,096	141,307	–	–
Prepayments	212,421	202,556	5	6
	933,042	745,072	9	10
Allowance for impairment on trade receivables	(11,118)	(11,855)	–	–
	921,924	733,217	9	10
Total trade and other receivables	1,003,929	733,217	9	10

The Group's trade receivables are non-interest bearing, and are subject to normal trade credit terms ranging from 30 to 45 days (2014: 30 to 45 days). They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Included in non-current and current prepayments are advances to a network facility provider ("NFP") of RM98.0 million (2014: RM23.0 million) to provide connectivity services for a period of 10 years.

15. Trade and Other Receivables (cont'd)

(a) Trade Receivables

As at 31 December, the ageing analysis of trade receivables net of allowance for impairment and bad debts written off, is as follows:

	Group	
	2015	2014
	RM'000	RM'000
Trade receivables:		
- Neither past due nor impaired	262,198	222,408
- 1 to 30 days past due not impaired	39,102	65,310
- 31 to 60 days past due not impaired	9,075	9,251
- 61 to 90 days past due not impaired	4,891	8,324
- 91 to 180 days past due not impaired	9,959	5,576
- More than 181 days past due not impaired	13,043	3,631
	338,268	314,500

Trade receivables that are neither past due nor impaired, representing 78% (2014: 71%) of the Group's total net trade receivables, are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

At the reporting date, 22% (2014: 29%) of the Group's trade receivables were past due but not impaired. These relate mostly to corporate customers with slower repayment patterns, for whom there is no history of default.

The movements of the Group's allowance for impairment on trade receivables are as follows:

	Note	Individually impaired	Collectively impaired	Total
		RM'000	RM'000	RM'000
At 1 January 2014		–	8,534	8,534
Charge for the year	7	29,677	3,321	32,998
Write offs		(29,677)	–	(29,677)
At 31 December 2014/1 January 2015		–	11,855	11,855
Charge for the year	7	42,407	–	42,407
Write offs		(42,407)	(737)	(43,144)
At 31 December 2015		–	11,118	11,118

The Group's trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments in excess of two months. These receivables are not secured by any collateral or credit enhancements.

As at 31 December 2015, Group's trade receivables with an initial carrying value of RM20,143,000 (2014: RM15,452,000) were impaired and provided for allowance for impairment amounting to RM11,118,000 (2014: RM11,855,000).

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31 December 2015

15. Trade and Other Receivables (cont'd)

(b) Foreign Currency Exposures

At 31 December 2015, the Group's trade receivables balances included exposure to foreign currency denominated in United States Dollar ("USD") and Special Drawing Rights ("SDR") amounting to RM8.8 million (2014: RM2.6 million) and RM32.1 million (2014: RM50.4 million) respectively.

16. Derivative Financial Instruments

	Contract value in foreign currency	Notional value	Fair value	(Liabilities)/ assets
	USD'000	RM'000	RM'000	RM'000
Non-hedging derivatives				
Current				
Foreign currency forward contracts:				
- 2015	23,000	99,054	98,936	(118)
- 2014	21,000	73,357	73,623	266

The above foreign currency forward contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities. These contracts are not designated as cash flow or fair value hedges, and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. Foreign currency forward contracts are used to hedge certain payables denominated in USD for which firm commitments existed at the reporting date, extending to January and February 2016.

During the financial year, the Group recognised a loss of RM118,000 (2014: a gain of RM266,000) arising from fair value changes of derivative financial instruments. The fair value changes are attributable to changes between foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 28(f)(iv).

17. Cash and Short-term Deposits

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	83,022	200,384	925	1,216
Deposits with licensed banks	150,535	325,894	—	—
Cash and cash equivalents	233,557	526,278	925	1,216

17. Cash and Short-term Deposits (cont'd)

Cash and cash equivalents include cash on hand and at banks and deposits with licensed banks. For the purpose of the statements of cash flows, cash and cash equivalents are net of outstanding bank overdrafts, if any.

The Group's cash and cash equivalents included amounts of foreign currency denominated in USD totalling RM15.3 million (2014: RM27.8 million) at the reporting date.

Cash at banks earn interest at floating rates based on daily bank deposit rates. The weighted average effective interest rates of deposits at the reporting date are as follows:

	Group	
	2015	2014
	%	%
Deposits with licensed banks	3	3

The deposits of the Group placed with licensed banks will mature within one month (2014: one month) from the end of the reporting date.

18. Loans and Borrowings

	Note	Group	
		2015	2014
		RM'000	RM'000
Non-current (unsecured)			
Floating-rate term loan		–	210,000
Finance lease obligation	25(c)	25,376	33,907
		25,376	243,907
Current (unsecured)			
Floating-rate term loan		210,000	196,000
Revolving credits		1,050,000	600,000
Finance lease obligation	25(c)	8,531	7,739
		1,268,531	803,739
Total loans and borrowings		1,293,907	1,047,646

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31 December 2015

18. Loans and Borrowings (cont'd)

The weighted average effective and implicit interest rates at the reporting date for loans and borrowings are as follows:

	Group	
	2015	2014
	%	%
Floating-rate term loan	5	5
Finance lease obligation	9	9
Revolving credits	4	5

The above loans and borrowings are denominated in RM.

The maturities of the Group's loans and borrowings at the reporting date are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Less than one year	1,268,531	803,739
Between one and two years	9,990	218,808
Between two and five years	15,386	23,392
More than five years	–	1,707
	1,293,907	1,047,646

19. Deferred Tax Liabilities

	Group	
	2015	2014
	RM'000	RM'000
At 1 January	263,425	190,008
Recognised in profit and loss (Note 8)	61,605	73,417
At 31 December	325,030	263,425

19. Deferred Tax Liabilities (cont'd)

The components and movements of recognised deferred tax liability and assets of the Group during the financial year prior to offsetting are as follows:

Deferred tax liability:

	Property, plant and equipment and intangible assets
	RM'000
At 1 January 2015	519,374
Recognised in profit and loss	64,749
At 31 December 2015	584,123
At 1 January 2014	399,936
Recognised in profit and loss	119,438
At 31 December 2014	519,374

Deferred tax assets:

	Deferred revenue	Others	Total
	RM'000	RM'000	RM'000
At 1 January 2015	(92,753)	(163,196)	(255,949)
Recognised in profit and loss	(5,550)	2,406	(3,144)
At 31 December 2015	(98,303)	(160,790)	(259,093)
At 1 January 2014	(83,320)	(126,608)	(209,928)
Recognised in profit and loss	(9,433)	(36,588)	(46,021)
At 31 December 2014	(92,753)	(163,196)	(255,949)

Others relate to deferred tax assets arising from deductible temporary differences on provisions and unrealised foreign exchange.

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20. Other Liabilities

	Group	
	2015	2014
	RM'000	RM'000
Non-current		
Provisions (Note a)	35,283	26,949
Current		
Provisions (Note a)	6,195	4,659
Deferred revenue (Note b)	426,223	411,622
	432,418	416,281
Total other liabilities	467,701	443,230

(a) Provisions

	Note	Site decommissioning and restoration costs	Defined benefit plan	Total
		RM'000	RM'000 (Note 23)	RM'000
Group				
Non-current				
At 1 January 2015		25,814	1,135	26,949
Capitalised as property, plant and equipment	11(a)	7,107	–	7,107
Recognised in profit and loss		1,324	80	1,404
Paid during the year		–	(177)	(177)
At 31 December 2015		34,245	1,038	35,283
At 1 January 2014		20,097	1,251	21,348
Capitalised as property, plant and equipment	11(a)	4,718	–	4,718
Recognised in profit and loss		999	36	1,035
Paid during the year		–	(152)	(152)
At 31 December 2014		25,814	1,135	26,949

20. Other Liabilities (cont'd)

(a) Provisions (cont'd)

	Note	Employee leave entitlements
		RM'000
Group		
Current		
At 1 January 2015		4,659
Recognised in profit and loss	7	1,536
At 31 December 2015		6,195
At 1 January 2014		6,963
Recognised in profit and loss	7	(2,304)
At 31 December 2014		4,659

Further details on the provisions are disclosed in Note 2(k).

(b) Deferred Revenue

Deferred revenue comprises unutilised balance of airtime and data subscriptions in respect of services sold to customers.

21. Trade and Other Payables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables	399,717	261,858	–	–
Other payables	282,669	176,938	–	–
Accruals	1,359,361	1,385,889	981	752
Customer deposits	14,429	15,330	–	–
	2,056,176	1,840,015	981	752

The Group's trade and other payables are non-interest bearing, and are subject to normal credit terms ranging from 30 to 60 days (2014: 30 to 60 days).

At 31 December 2015, the Group's trade and other payables balances included exposure to foreign currency denominated in USD, SDR and Norwegian Krone ("NOK") amounting to RM242.1 million (2014: RM137.9 million), RM14.4 million (2014: RM37.3 million) and RM31.2 million (2014: RM16.0 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

22. Share Capital

	Group/Company			
	Number of ordinary shares of 1 sen each		Amount	
	2015	2014	2015	2014
	'000	'000	RM'000	RM'000
Authorised				
At 1 January/31 December	100,000,000	100,000,000	1,000,000	1,000,000
Issued and fully paid				
At 1 January/31 December	7,775,000	7,775,000	77,750	77,750

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

23. Defined Benefit Plan

The Group operates an unfunded defined benefit plan for its eligible employees. The estimated obligations under the retirement benefit scheme are determined based on actuarial valuation by a qualified independent actuary on 18 March 2014.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	Note	Group	
		2015	2014
		RM'000	RM'000
Present value of unfunded obligations	20	1,038	1,135

The amount recognised in profit and loss, included under staff expenses, is as follows:

	Note	Group	
		2015	2014
		RM'000	RM'000
Interest on obligations, representing increase in provision for defined benefit plan	7	80	36

23. Defined Benefit Plan (cont'd)

The principal actuarial assumption used in determining the retirement benefit obligation for the defined benefit plan, is as follows:

	Group	
	2015	2014
	%	%
Rate per annum: - Discount rate	5	5

Assumptions regarding future mortality are based on published statistics and mortality table.

24. Retained Earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2015 and 2014 respectively, under the single-tier system.

25. Commitments

(a) Capital Commitments

	Group	
	2015	2014
	RM'000	RM'000
Capital expenditure in respect of property, plant and equipment and intangible assets:		
- Approved and contracted for	286,000	570,000
- Approved but not contracted for	944,000	975,000

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

25. Commitments (cont'd)

(b) Non-cancellable Operating Lease Commitments

	Group	
	2015	2014
	RM'000	RM'000
Future minimum lease payments:		
- Less than one year	241,555	239,951
- Between one and five years	256,258	380,526
- More than five years	75,192	60,629
	573,005	681,106

Operating lease payments represent rentals payable by the Group for lease of transmission facilities and sites to support its telecommunications operations. The tenure of these leases range between one to ten years, with options to renew. None of the leases included contingent rentals.

(c) Finance Lease Commitments

The Group's finance lease commitment is in relation to the acquired indefeasible right of use ("IRU") over purchased fibre optic wavelength by means of a finance lease arrangement. Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Minimum lease payments:		
- Less than one year	11,410	11,105
- Between one and two years	11,726	11,410
- Between two and five years	16,452	26,468
- More than five years	–	1,710
Total minimum lease payments	39,588	50,693
Less: Amounts representing finance charges	(5,681)	(9,047)
Present value of minimum lease payments	33,907	41,646

25. Commitments (cont'd)

(c) Finance Lease Commitments (cont'd)

	Group	
	2015	2014
	RM'000	RM'000
Present value of payments:		
- Less than one year	8,531	7,739
- Between one and two years	9,990	8,808
- Between two and five years	15,386	23,392
- More than five years	–	1,707
Present value of minimum lease payments	33,907	41,646
Less: Amount due within 12 months (Note 18)	(8,531)	(7,739)
Amount due after 12 months (Note 18)	25,376	33,907

26. Performance Guarantees

	Group	
	2015	2014
	RM'000	RM'000
Unsecured		
Guarantees given to third parties for public infrastructure works	14,985	22,793
Guarantee given to SKMM on the transfer of 3G spectrum	–	50,000
Guarantee given to SKMM on the allocation of the 2600 MHz spectrum band	10,000	10,000
	24,985	82,793

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

27. Significant Related Party Disclosures

(a) Sales and Purchases of Services

Controlling related party relationships are as follows:

- (i) The ultimate holding company is as disclosed in Note 1; and
- (ii) The Company's subsidiaries are as disclosed in Note 13.

Significant transactions and balances with related parties of the Group during the financial year are as follows:

	Transactions		Balance due (to)/from as at	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
With the ultimate holding company and fellow subsidiaries				
- Telenor ASA Consultancy services rendered	19,869	24,756	(50,387)	(29,221)
- Telenor Consult AS Personnel services rendered	3,634	13,686	–	(3,110)
- Telenor GO Pte Ltd Personnel services rendered	11,094	–	(3,112)	–
- Telenor Global Services AS Sales of interconnection services on international traffic	652	293	(9,232)	(5,711)
Purchases of interconnection services on international traffic	27,868	19,160		
Purchases of IP transit	–	265		
Purchases of global connectivity	1,252	752		
- Total Access Communication Public Company Limited Sales of international roaming services	81	248	(12)	3,852
Purchases of international roaming services	2,890	4,442		
- dtac TriNet Co. Ltd Sales of international roaming services	370	511	(15,764)	(2,342)
Purchases of international roaming services	958	672		
Sales of interconnection services on international traffic	264	259		
Purchases of interconnection services on international traffic	18,450	2,116		

27. Significant Related Party Disclosures (cont'd)

(a) Sales and Purchases of Services (cont'd)

	Transactions		Balance due (to)/from as at	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
With the ultimate holding company and fellow subsidiaries (cont'd)				
- Telenor Norge AS			35	39
Sales of international roaming services	191	432		
Purchases of international roaming services	17	31		
- Telenor Shared Services Pakistan (Private Limited)			(163)	(650)
Purchases of customer centre offshoring services	1,857	1,758		
- Telenor Global Shared Services AS			(6,369)	(3,176)
Services rendered on application operations and basic operation for data centre	6,148	163		
Purchases of operation application	289	617		
Services rendered on IT Infrastructure Shared Services Centre	500	–		
- Telenor IT Asia Sdn Bhd			(3,099)	4,978
Rental income and services rendered for Asian Infrastructure Shared Services Centre	688	883		
Services rendered on Asian Infrastructure Shared Services Centre	5,853	–		

Amounts due (to)/from related companies are trade in nature, unsecured, non-interest bearing and are subject to the normal credit terms for trade receivables and trade payables respectively.

The directors are of the opinion that the above transactions are entered into, in the normal course of business and at standard commercial terms mutually agreed between both parties.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

27. Significant Related Party Disclosures (cont'd)

(b) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including directors of that entity.

The remuneration of key management personnel during the financial year was as follows:

	Group	
	2015	2014
	RM'000	RM'000
Short-term employee benefit	14,838	15,332
Post-employment benefits	1,273	587
Share-based payment	555	617
	16,666	16,536

28. Financial Instruments

(a) Financial Risk Management Objectives and Policies

In the normal course of conducting its business activities, the Group is exposed to a variety of financial risks, which include credit, foreign currency, liquidity and interest rate risks. The Group's overall risk management programme seeks to minimise potential adverse effects of these risks on the financial performance of the Group.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's credit risk arises in the normal course of business primarily with respect to trade and other receivables and cash and short-term deposits. Credit risk is managed through formalised policies on credit assessment and approvals, credit limits and monitoring procedures. Deposits are placed only with or only entered into with reputable licensed banks and unit trust funds, if any.

The maximum credit risk exposure in respect of trade receivables is limited to the carrying amount of the receivables less allowance for impairment, whereas the maximum exposure for other receivables, and cash and cash equivalents are the reported carrying values in the financial statements. Information regarding trade receivables that are neither past due nor impaired, and past due but not impaired, are disclosed in Note 15(a).

At the reporting date, there were no significant concentrations of credit risk.

28. Financial Instruments (cont'd)

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities. The currencies giving rise to this risk are primarily the USD, SDR and NOK. Although approximately 21% (2014: 21%) of the Group's total expenses are denominated in the above-mentioned foreign currencies, the settlements of these payables are on a net basis, together with revenues earned from the same operators and partners. The Group also holds cash and cash equivalents denominated in USD for working capital purposes. The Group's foreign-denominated cash and cash equivalents at the reporting date is disclosed in Note 17.

Exposure to foreign currency risk is monitored on an on-going basis and when considered necessary, the Group will consider using effective financial instruments to hedge its foreign currency risk in accordance with its foreign currency hedging policy. In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed 100% of the net exposure value. Speculative activities are strictly prohibited. The Group adopts a layered approach to hedging, where a higher percentage of hedging will be executed for closer-dated exposures and with time, increase the hedge as the probability of the underlying exposure increases. These derivatives and their underlying exposures will be monitored on an on-going basis. However, these contracts are not designated as cash flow or fair value hedge.

The Group's foreign currency forward contracts are executed only with creditworthy financial institutions in Malaysia which are governed by appropriate policies and procedures. The cash requirement for settling these foreign currency forward contracts is solely from the Group's working capital.

Details of the Group's outstanding foreign currency forward contracts for the purpose of hedging certain payables denominated in USD for which firm commitments existed at the reporting date, extending to January and February 2016, are disclosed in Note 16. The effects of changes in the fair values of these derivative financial instruments have already been included in the financial statements during the financial year.

Management believes that there is no reasonably possible fluctuation in the foreign exchange rate which would cause any material effect to the Group's profit for the year.

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management, for working capital purposes and to mitigate the effects of fluctuations in cash flows. The Group invests only in highly liquid cash management funds, if any.

The Group's trade and other payables and non-hedging derivative liabilities at the reporting date, are short term in nature, and are payable either on-demand or within one year. Details of respective maturities for the Group's loans and borrowings are as disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

28. Financial Instruments (cont'd)

(d) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year	One to two years	Between two and five years	More than five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2015					
Financial liabilities					
Trade and other payables	2,056,176	–	–	–	2,056,176
Loans and borrowings	1,271,410	11,726	16,452	–	1,299,588
Total undiscounted financial liabilities	3,327,586	11,726	16,452	–	3,355,764
2014					
Financial liabilities					
Trade and other payables	1,840,015	–	–	–	1,840,015
Loans and borrowings	807,105	221,410	26,468	1,710	1,056,693
Total undiscounted financial liabilities	2,647,120	221,410	26,468	1,710	2,896,708

28. Financial Instruments (cont'd)

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk primarily from the deposit placements and interest-bearing financial liabilities. The Group manages its interest rate risk for the interest-earning deposit placements by placing such balances on varying maturities and interest rate terms.

The Group's policy in dealing with interest-bearing financial liabilities is to minimise the interest expense by obtaining the most favourable interest rates available. A difference of 20 (2014: 20) basis points in interest rates applicable for the Group's entire loans and borrowings (excluding finance lease obligation) would result in approximately 0.11% (2014: 0.07%) variance in the Group's profit for the year.

(f) Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Short-term Deposits

The carrying amounts approximate their fair values due to the relatively short term maturity of these financial instruments.

(ii) Trade and Other Receivables and Payables

The carrying amounts approximate their fair values because these are subject to normal credit terms and are short term in nature.

(iii) Loans and Borrowings

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The carrying amounts of floating-rate term loan are reasonable approximations of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of non-current portion of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing or leasing arrangements at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

28. Financial Instruments (cont'd)

(f) Fair Values (cont'd)

(iv) Derivative Financial Instruments

Derivatives are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rates.

At the reporting date, the carrying amounts and fair values of the Group's financial instruments not carried at fair values and whose carrying amounts are not reasonable approximation of fair values, are as follows:

	Note	Group			
		Carrying amount		Fair value	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Loans and borrowings (non-current):					
- Finance lease obligation	18	25,376	33,907	34,002	42,235

(g) Classification

The carrying amounts of financial instruments under each category of MFRS 139, are as follows:

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Loans and receivables:					
- Trade receivables	15(a)	338,268	314,500	—	—
- Other receivables	15	221,139	74,854	4	4
- Deposits	15	150,096	141,307	—	—
- Cash and short-term deposits	17	233,557	526,278	925	1,216
		943,060	1,056,939	929	1,220

28. Financial Instruments (cont'd)

(g) Classification (cont'd)

The carrying amounts of financial instruments under each category of MFRS 139, are as follows (cont'd):

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Non-hedging derivative financial (liabilities)/assets	16	(118)	266	–	–
Other financial liabilities:					
- Floating-rate term loan	18	210,000	406,000	–	–
- Revolving credits	18	1,050,000	600,000	–	–
- Trade payables	21	399,717	261,858	–	–
- Other payables	21	282,669	176,938	–	–
- Accruals	21	1,359,361	1,385,889	981	752
- Customer deposits	21	14,429	15,330	–	–
		3,316,176	2,846,015	981	752

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

28. Financial Instruments (cont'd)

(h) Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for financial assets/(liabilities) as at 31 December 2015:

				Fair value measurement using		
	Note	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			RM'000	RM'000	RM'000	RM'000
Financial liabilities measured at fair value:						
Non-hedging derivative financial liabilities	16	31 December 2015	(118)	–	(118)	–
Financial liabilities for which fair values are disclosed:						
Loans and borrowings (non-current):		31 December				
- Finance lease obligation	28(f)	2015	(34,002)	–	–	(34,002)

28. Financial Instruments (cont'd)

(h) Fair Value Measurement (cont'd)

Quantitative disclosures fair value measurement hierarchy for financial assets/(liabilities) as at 31 December 2014:

			Fair value measurement using			
	Note	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value:						
Non-hedging derivative financial assets	16	31 December 2014	266	–	266	–
Financial liabilities for which fair values are disclosed:						
Loans and borrowings (non-current):		31 December				
- Finance lease obligation	28(f)	2014	(42,235)	–	–	(42,235)

There have been no transfers between Level 2 and Level 3 in the current year and prior year.

The fair value of finance lease obligation is categorised as level 3 hierarchy as it was estimated by discounting the future contractual cashflow at an adjusted discount rate. The significant unobservable inputs at arriving at the adjusted discount rate are the constant prepayment rate and the own non-performance risk as at 31 December 2015 and at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

29. Capital Management

The essence of the Group's capital management strategy is to support its long term strategic ambitions including:

- (i) its commitment to long term sustainable dividend policy;
- (ii) its financial obligation and ability to maintain financial flexibility; and
- (iii) its ability to support its business requirements and enable future growth.

Going-forward, the Group will continue to actively manage its capital structure to enhance shareholders' value and make adjustments to address changes in the economic environment and its business risk characteristics. The Group had during the financial year ended 31 December 2009, revised its minimum dividend pay-out policy to at least 80% of the Company's profit for the year, and dividend payment frequency. The dividend policy will be maintained subject to on-going assessment, and based on the availability of distributable reserves as well as the Group's future cash flow requirements and market conditions. These revisions and any other revision to its allocation of capital resources are subject to the approval of the Board of Directors. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2015.

30. Segmental Information

Segmental information is not presented as the Group is primarily engaged in the provision of mobile communication services and its related products in Malaysia.

31. Subsequent Event

Subsequent to the reporting date, on 1 February 2016, the Group's wholly owned subsidiary, Digi Telecommunications Sdn. Bhd. has received a notice for spectrum allocation of 2x5MHz of 900MHz and 2x20MHz of 1800MHz for 15 years, with full implementation on 1 July 2017 from SKMM. The allocation by SKMM will convert the annual Apparatus Assignment fee to upfront spectrum fees.

32. Authorisation of Financial Statements for Issue

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 10 March 2016.

33. Supplementary Information – Disclosure of Realised and Unrealised Profits/Losses

The break-down of the (accumulated losses)/retained earnings of the Group and of the Company as at 31 December 2015 and 2014 into realised and unrealised (losses)/profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad, and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total (accumulated losses)/retained earnings of the company and its subsidiaries:				
- Realised	(191,937)	(14,868)	3,025	3,542
- Unrealised	(58,356)	(68,650)	–	–
	(250,293)	(83,518)	3,025	3,542

LIST OF PROPERTIES
as at 31 December 2015

No.	Location	Tenure	Description / Existing use	Date of Acquisition	Area	Age of Building Years	Net Book Value as at 31.12.2014 RM'000	Net Book Value as at 31.12.2015 RM'000
1	H.S.(D) No 92086 & 92087 P.T. No 9 & No.10, Pekan Seremban Jaya, Daerah Seremban, Negeri Sembilan	Freehold	Land with a building / Telecommunications Centre	29.12.1997	22,529 sq ft	18	613	595
2	Unit No 202-4-11, Sri Bandar Besi, Jalan Sungai Besi, Sungai Besi, Kuala Lumpur	Freehold	Apartment/ Housing base transceiver equipment	26.01.1995	802 sq ft	20	82	79
3	Unit No C16-2, Indera Subang UEP, Jalan UEP 6/2L, UEP Subang Jaya, Petaling Jaya, Selangor	Freehold	Apartment/ Housing base transceiver equipment	04.02.1995	2,249 sq ft	22	437	422
4	No 1-16.2, 16th Floor, Union Height, Taman Yan, Jalan Klang Lama, Kuala Lumpur	Freehold	Apartment/ Housing base transceiver equipment	25.01.1995	1,249 sq ft	21	164	158
5	3rd Floor, Unit Pt 4888/4786 C Block TC-14, Taman Sri Gombak, Jalan Batu Caves, Selangor	Freehold	Apartment/ Housing base transceiver equipment	29.03.1995	1,319 sq ft	20	62	60
6	4572, 7th Floor Sri Jelatek Condominiums, Section 10, Wangsa Maju, Kuala Lumpur	Freehold	Apartment/ Housing base transceiver equipment	07.02.1995	1,115 sq ft	20	127	123
7	32 , PLO 151 Jln Angkasa Mas Utama, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor	Leasehold 30 years (expiring in 2023)	Land with a building / Telecommunications Centre	12.05.1995	1.58 acres	21	752	739
8	HS (D) 77, No. P.T. PTBM/A/081, Mukim 1, Kawasan Perusahaan Perai, District Seberang Perai Tengah, Pulau Pinang	Leasehold 60 years (expiring in 2033)	Land with a building / Telecommunications Centre	23.03.1995	1 acre	41	1,554	1,502
9	Lot 36, Sedco Light Industrial Estate, Jalan Kelombong, Kota Kinabalu, Sabah	Leasehold 60 years (expiring in 2034)	Land with a building / Telecommunications Centre	12.06.1995	0.938 acre	35	1,737	1,681

No.	Location	Tenure	Description / Existing use	Date of Acquisition	Area	Age of Building Years	Net Book Value as at 31.12.2014 RM'000	Net Book Value as at 31.12.2015 RM'000
10	Lot 1220, Section 66, Kuching Town Land District, Sarawak	Leasehold 60 years (expiring in 2036)	Land with a building / Telecommunications Centre	15.08.1995	4,124 sq ft	20	1,497	1,448
11	No 112, Semambu Industrial Estate, Kuantan, Pahang	Leasehold 66 years (expiring in 2041)	Land with a building / Telecommunications Centre	07.07.1995	4 acres	33	1,694	1,639
12	Unit 16-12-1, 12th Floor, Cloud View Tower, Taman Supreme, Cheras, Kuala Lumpur	Leasehold 99 years (expiring in 2076)	Apartment/ Housing base transceiver equipment	08.02.1995	1,400 sq ft	27	165	162
13	Unit No M803 8th Floor, Sunrise Park, Ampang, Kuala Lumpur	Leasehold 99 years (expiring in 2088)	Apartment/ Housing base transceiver equipment	22.03.1995	1,100 sq ft	24	88	87
14	H.S.(D) 12776, P.T. No. 15866, Mukim Bentong, District of Bentong, Pahang	Leasehold 99 years (expiring in 2091)	Land with a building / Earth Station Complex	07.08.1996	7.5 acres	22	5,464	5,231
15	Plot D-38, Taman Industri Prima Kota Fasa 1, Sector 3, Bandar Indera Mahkota, Kuantan, Pahang	Leasehold 99 years (expiring in 2097)	Land with fixed line switch and base transceiver station	14.11.1997	25,521 sq ft	18	358	353
16	Ptd 1490, Mukim of Jemaluang, District of Mersing, Johor	Leasehold 99 years (expiring in 2098)	Land with trunk station	17.08.1999	40,000 sq ft	16	104	103
17	PN 89926, Lot 191363, Mukim Hulu Kinta, Daerah Kinta, Perak	Leasehold 90 years (expiring in 2081)	Land with a building / Telecommunications Centre	15.07.1999	5,942 sq ft	16	192	190
18	Lot No 54, Jalan 6/2, Kawasan Perindustrian Seri Kembangan, 43000 Seri Kembangan, Selangor	Leasehold 99 years (expiring in 2091)	Land with a building / Telecommunications Centre	23.05.2000	18,050 sq ft	26	1,689	1,670
19	Lot 2728 Miri Concession Land District, Lopeng, Miri, Sarawak	Leasehold 60 years (expiring in 2027)	Land with a cabin container / Telecommunications Centre	29.09.2000	4,937 sq m	N/A	871	838

LIST OF PROPERTIES (cont'd)
as at 31 December 2015

No.	Location	Tenure	Description / Existing use	Date of Acquisition	Area	Age of Building Years	Net Book Value as at 31.12.2014 RM'000	Net Book Value as at 31.12.2015 RM'000
20	Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor	Freehold	Land with a building	19.07.2001	284,485 sq ft	10	67,433	57,482
21	No. 24, Jalan KIP 7, Taman Perindustrian KIP, 52200 Kuala Lumpur	Freehold	Land with a building / Telecommunications Centre	21.08.2002	17,847 sq ft	19	2,779	2,779
22	Lot 42, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor	Freehold	Parking lot	28.04.2008 (Title transferred date)	91,676 sq ft	N/A	8,234	8,234
23	Lot 43, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor	Freehold	Land with a building / Telecommunications Centre	06.04.2008 (Title transferred date)	92,142 sq ft	6	70,125	68,678
24	13-1st Floor, Gemilang Indah Condominium, Geran Mukim 2227/M1/2/7, Lot 295, Sek 98, Bandar KL, Wilayah Persekutuan	Freehold	Apartment unit	26.10.2009	935 sq ft	25	125	122
25	H.S.(M) 26928 PT 180, Pekan Serdang, Tempat Seri Kembangan, Daerah Petaling, Selangor	Leasehold 90 years (expiring in 2099)	Land with a building / Telecommunications Centre	03.03.2009	1803 sq m	20	4,091	4,042
26	Title No. PN 89925, Lot 191362, No.4, Hala Perusahaan Kledang U5, Kawasan Perusahaan Menglembu, Daerah Kinta, Perak	Leasehold 90 years (expiring in 2099)	Land with a building / Telecommunications Centre	21.09.2009	358 sq m	15	685	677

Notes:

The Group does not adopt a revaluation policy on landed properties.

N/A denotes "Not Applicable"

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 7 May 2015, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of revenue or trading nature.

In accordance with Practice Note 12 of Main Market Listing Requirements of Bursa Securities, the details of recurrent related party transactions conducted during the financial year ended 31 December 2015 pursuant to the shareholders' mandate are disclosed as follows:

Digi Group with the following related parties	Digi and/or its subsidiary companies	Nature of transaction undertaken by/ provided to Digi and/or its subsidiaries	Amount transacted during the financial year
			RM'000
Telenor Group of Companies			
Telenor Group	DTSB	Business service costs, which include consultancy, training programmes and advisory fees ("Business Service Costs")	19,869
Telenor Group	DTSB	Personnel services payable and professional fees ("Professional Service")	15,070
Telenor Group	DTSB	International Accounting Settlement. This refers to an arrangement for interconnection services on international traffic between foreign carriers i.e. Telenor Group and DTSB	47,234
Telenor Group	DTSB	International Roaming	5,045
Telenor Group	DTSB	Customer Centre offshoring services	1,857
Telenor Group	DTSB	IP Transit (Internet Upstream)	–
Telenor Group	DTSB	Global connectivity services with Telenor Business Units (BUs) in Asia and to data centers for common services	1,252
Telenor Group	DTSB	Services rendered on Enterprise Resource Planning ("ERP") and enterprise applications	6,437
Telenor Group	DTSB	Infrastructure Shared Services Centre in Asia ("ITSSC")	7,041
TOTAL			103,805

Notes:

1. Telenor Group refers to Telenor ASA and its subsidiary and related companies (including the associated companies). Telenor ASA is the ultimate holding company of Digi.Com Berhad (Digi).
2. Digi Telecommunications Sdn Bhd ("DTSB") is a wholly-owned subsidiary of Digi.

STATEMENT OF DIRECTORS' SHAREHOLDINGS
as at 14 March 2016

The Company Digi.Com Berhad	Number of Ordinary Shares of RM0.01 each			
	Direct interest	%	Deemed interest	%
—	—	—	—	—

Ultimate Holding Company Telenor ASA	Number of Ordinary Shares of NOK6 each			
	Direct interest	%	Deemed interest	%
Tore Johnsen	39,306	0.0026	—	—
Morten Karlsen Sorby	81,080	0.0054	682	0
Lars-Ake Valdemar Norling	26,903	0.0017	—	—
Kristin Muri Moller	17,857	0.001	—	—

Ultimate Holding Company Telenor ASA	Number of Options over Ordinary Shares of NOK6 each			
	Direct interest	%	Deemed interest	%
Tore Johnsen	—	—	—	—
Morten Karlsen Sorby	—	—	—	—
Lars-Ake Valdemar Norling	—	—	—	—
Kristin Muri Moller	—	—	—	—

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (“19th AGM”) of Digi.Com Berhad (“the Company”) will be held at Nexus Ballroom 2 & 3, Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Malaysia on Friday, 13 May 2016 at 9.00 a.m. for the following purposes:

Agenda

As Ordinary Business

1. To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2015 and the Directors’ and Auditors’ Reports thereon. **(Please refer to Note 1 of the Explanatory Notes)**
2. To re-elect the following Directors of the Company retiring pursuant to the Company’s Articles of Association:-

Article 98(A) of the Company’s Articles of Association
 - Mr Morten Karlsen Sorby **Ordinary Resolution 1**
 - Mr Tore Johnsen **Ordinary Resolution 2**
Article 98(E) of the Company’s Articles of Association
 - Ms Vimala A/P V.R. Menon **Ordinary Resolution 3**
 - Mr Lars-Ake Valdemar Norling **Ordinary Resolution 4**
 - Ms Kristin Muri Moller **Ordinary Resolution 5**
3. To approve the payment of Directors’ fees of RM621,000 for the financial year ended 31 December 2015. **Ordinary Resolution 6**
4. To approve the payment of Directors’ fees of up to RM760,000 for the financial year ending 31 December 2016 to be paid monthly in arrears. **Ordinary Resolution 7**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**

As Special Business

To consider and, if thought fit, to pass the following resolutions:

6. **Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature to be entered with Telenor ASA (“Telenor”) and Persons Connected with Telenor (“Proposed Shareholders’ Mandate”)** **Ordinary Resolution 9**

“THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Proposed Shareholders’ Mandate for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with Telenor and persons connected with Telenor as specified in Section 2.3 of the Circular to Shareholders dated 18 April 2016 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority conferred by this resolution is renewed;

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

(ii) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is earlier.

AND THAT in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual reports, the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial year, amongst others, based on:

- the type of the recurrent related party transactions made; and
- the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution."

7. Proposed Amendment to the Articles of Association of the Company

Special Resolution

"THAT the proposed amendment to the Articles of Association of the Company as set out in Appendix A of the Notice of Annual General Meeting be and is hereby approved AND THAT the Directors of the Company be and are hereby authorised to do all things and acts necessary to effect the amendment to the Articles of Association of the Company."

As Other Business

8. To transact any other business of which due notice has been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 19th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 54(1)(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 29 April 2016. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

By Order of the Board

CHOO MUN LAI (MAICSA 7039980)

TAI YIT CHAN (MAICSA 7009143)

TAN AI NING (MAICSA 7015852)

Company Secretaries

Selangor Darul Ehsan

18 April 2016

Notes:

(A) Appointment of Proxy

- (i) A member entitled to attend and vote at a general meeting of the Company is entitled to appoint one (1) person as his proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- (ii) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Company’s Share Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia at least forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

(B) Explanatory Notes

- 1. Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.
- 2. Ordinary Resolution 9 proposed under Agenda item no. 6 on the shareholders’ mandate, if passed, will allow the Company and its subsidiaries (“Group”) to enter into recurrent related party transactions in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders’ mandate is subject to renewal on an annual basis.
- 3. The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Personal Data Privacy:

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Appendix A

Proposed Amendment to the Articles of Association of the Company

The Articles of Association of the Company are proposed to be amended in the following manner:

Article No.	Existing Article	Amended Article
112	<p>The directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the said Section. <u>The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months from the close of financial year of the Company.</u> A copy of each of such documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company under the provisions of the Act or these Articles. The requisite number of copies of each such document as may be required by the Stock Exchange shall at the same time be likewise sent to the Stock Exchange. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders but any member whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>	<p>The directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the said Section. A copy of each of such documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company under the provisions of the Act or these Articles. The requisite number of copies of each such document as may be required by the Stock Exchange shall at the same time be likewise sent to the Stock Exchange, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders but any member whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p>

FORM OF PROXY

I/We (Name in full) _____

NRIC No. or Company No. (New and Old NRIC No.) _____

CDS Account No. _____ of (Address) _____

being a member of DIGI.COM BERHAD hereby appoint (Name in full) : _____

NRIC No. (New and Old NRIC No.) _____ of (Address) _____

or failing him/her, the *Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at Nexus Ballroom 2 & 3, Connexion @ Nexus, No. 7, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur, Malaysia on Friday, 13 May 2016 at 9.00 a.m. or any adjournment thereof.

This proxy is to vote on the resolutions set out in the Notice of the Meeting, as indicated with an "X" in the appropriate spaces below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

*Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.

ORDINARY RESOLUTIONS	For	Against
RESOLUTION 1 – To re-elect Mr Morten Karlsen Sorby as Director		
RESOLUTION 2 – To re-elect Mr Tore Johnsen as Director		
RESOLUTION 3 – To re-elect Ms Vimala A/P V.R. Menon as Director		
RESOLUTION 4 – To re-elect Mr Lars-Ake Valdemar Norling as Director		
RESOLUTION 5 – To re-elect Ms Kristin Muri Moller as Director		
RESOLUTION 6 – To approve the payment of Directors' fees for the financial year ended 31 December 2015		
RESOLUTION 7 – To approve the payment of Directors' fees for the financial year ending 31 December 2016 to be paid monthly in arrears.		
RESOLUTION 8 – To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration		
RESOLUTION 9 – To approve the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature to be entered with Telenor ASA ("Telenor") and Persons Connected with Telenor		
SPECIAL RESOLUTION		
To approve the Proposed Amendment to the Articles of Association of the Company		

No. of Shares _____ Telephone No. _____

Signatures of Shareholder(s) or Common Seal _____

Signed this _____ day of _____ 2016.

Notes:

1. A member entitled to attend and vote at a general meeting of the Company is entitled to appoint one (1) person as his proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company. The provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Company's Share Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia at least forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 18 April 2016.

Please fold here to seal.

Affix
Stamp
Here

Share Registrars
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Please fold here to seal.

LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to the Management of Digi Telecommunications Sdn Bhd

We have performed limited assurance procedures in relation to select subject matter presented in Digi Telecommunications Sdn Bhd's Sustainability Section of the Annual Report 2015 ('the Report') as detailed in the 'Subject Matter' below.

The Management's Responsibility

The Report has been prepared by the Management of Digi Telecommunications Sdn Bhd, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements relating to the preparation, publication and verification of sustainability reports.

The Auditor's Responsibility

Our responsibility in performing our limited assurance activities is to the Management of Digi Telecommunications Sdn Bhd only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at their own risk.

Our review was limited to the information on the select subject matters set out within the Sustainability Section of the Annual Report 2015 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere, including on Digi Telecommunications Sdn Bhd's website;
- Sustainability information prior to 01 January 2015 and after 31 December 2015; and
- Review of Management's forward looking statements such as targets and intentions;

Our multi-disciplinary team has the required competencies and experience to conduct this assurance engagement.

Reporting Criteria

As a basis for the assurance engagement, the Subject Matter for assurance was verified for adherence to the Global Reporting Initiative's (GRI G4) principle of accuracy and Telenor Group's non-financial reporting guidelines. We consider this reporting criterion to be relevant and appropriate to review the Report.

Assurance Standard Used and Level of Assurance

Our limited assurance engagement has been planned and performed in accordance with the ISAE 3000 Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.

International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000).

LIMITED ASSURANCE STATEMENT (cont'd)

Assurance Standard Used and Level of Assurance (cont'd)

This standard requires that we comply with the ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

We have also considered the Global Reporting Initiative GRI G4 reporting guidelines in conducting our limited assurance procedures.

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Subject Matter

The Subject Matter for our limited assurance engagement is:

Statements and claims related to the following indicators for 2015 in relevance to Digi Telecommunications Sdn Bhd's focus areas presented in the Report:

1. Empowerment through Connectivity
 - o Number of students attending the Digi CyberSAFE Program
2. Ethical and Responsible business
 - o Number of new employees signing the Code of Conduct
 - o Suppliers signing the Agreement of Business Conduct
3. Passionate Employees
 - o Employees with documented development plans
 - o Lost time due to injury
 - o Training hours
4. Climate Change & Environment
 - o Direct and indirect energy consumption
 - o Direct and indirect greenhouse gas emissions
 - o Other indirect greenhouse gas emissions (limited to business travel and mileage claims).

What We Did to Form Our Conclusions

The procedures performed aim to verify the plausibility of information. We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matter detailed above has not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusions we undertook the steps below:

1. Interviewed Digi Telecommunications Sdn Bhd's executives including the Head of Communications and Sustainability who also holds responsibility for the sustainability reporting process, to understand the current status of their sustainable development agenda and activities;
2. Undertook visits to Digi Telecommunications Sdn Bhd's offices;

What We Did to Form Our Conclusions (cont'd)

3. Reviewed Digi Telecommunications Sdn Bhd's processes for data collection, aggregation, analysis and quality control;
4. Reviewed selected relevant internal documents pertaining to the select indicators to assess the accuracy of reporting;
5. Reviewed draft of the Report for statements or assertions for consistency with the findings from our work;
6. Traced select relevant sources of information in line with the Telenor Group non-financial reporting guidelines, reviewed conversion factors in relation to their sources, relevance and accuracy; and
7. Obtained and reviewed evidence to support key assumptions and reasonableness in calculations and other data.

The Limitations of Our Review

Our review was limited to the information on the select subject matter set out within the Sustainability Section of the Annual Report 2015.

The accuracy and completeness of the sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with Digi Telecommunications Sdn Bhd's procedures on the reporting of its sustainability performance.

Our Independence

EY has provided independent assurance services in relation to select subject matter within the Sustainability Section of the Annual Report 2015. We have provided no other services relating to Digi Telecommunications Sdn Bhd's approach to sustainability reporting.

In conducting our assurance engagement we have met the independence requirements of the Institute of Singapore Chartered Accountants and Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities. Our independence policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Observations and Areas for Improvement

Our observations and areas for improvement will be raised in a report to Digi Telecommunications Sdn Bhd's Management. The focus on this report will be in addressing any identified gaps between the GRI principles for defining report content, materiality, completeness, sustainability context and stakeholder inclusiveness and those presented within the report. These observations do not affect our conclusions set out below.

Conclusion

Based on the procedures performed and evidence obtained for the Subject Matter nothing has come to our attention that causes us to believe that the information in the Report does not comply in all material respects with the above mentioned reporting criteria.

K SADASHIV

Partner
Climate Change and Sustainability Services
Ernst & Young LLP
1 April 2016

CORPORATE DIRECTORY

Principal Place of Business/Head Office

D'House, Lot 10, Jalan Delima 1/1,
Subang Hi-Tech Industrial Park,
40000 Subang Jaya, Selangor
Tel: 03-5721 1800
Fax: 03-5721 1857

Central Operating Offices

Lot 43, Jalan Delima 1/1,
Subang Hi-Tech Industrial Park,
40000 Subang Jaya, Selangor
Tel: 03-5721 1800
Fax: 03-5721 1857

Regional Operating Offices

Northern Region

1-03-18, E-Gate Commercial Centre,
Lebuh Tunku Kudin 2,
11700 Gelugor, Penang
Tel: 04-248 6000
Fax: 04-248 6001

Ipoh Sales Office

C-G-2, Persiaran Greentown 3,
Greentown Business Centre,
30450 Ipoh, Perak
Tel: 05-242 1616
Fax: 05-242 3800

Southern Region

6 & 8, Jalan Molek 1/12,
Taman Molek,
81100 Johor Bahru, Johor
Tel: 07-351 1800
Fax: 07-352 8016

Eastern Region

Lot 112 & 113,
Lorong Industri Semambu 7,
Semambu Industrial Estate,
25350 Kuantan, Pahang
Fax: 09-508 0016

Sabah Region

4th Floor, Lot 10, Block B,
Warisan Square,
Jalan Tun Fuad Stephens,
88000 Kota Kinabalu, Sabah
Tel: 088-251 016
Fax: 088-262 016

Sarawak Region

Level 21, Gateway Kuching,
No 9, Jalan Bukit Mata,
93100 Kuching, Sarawak
Tel: 082-421 800
Fax: 082-427 597

Digi Stores

Kuala Lumpur Gardens

S-233, 2nd Floor, Gardens Mall,
Mid Valley City Lingkaran Syed Putra,
59200 Kuala Lumpur

Bangsar

Lot F122, 1st Floor,
Bangsar Shopping Centre,
285, Jalan Maarof, Bukit Bandaraya,
59000 Kuala Lumpur

Berjaya Times Square

01-36, Berjaya Times Square,
No. 1, Jalan Imbi,
55100 Kuala Lumpur

Setapak Central

G49, No.67, Jalan Taman Ibu Kota,
Taman Danau Kota, Setapak,
53300 Kuala Lumpur

Selangor

Klang
Lot Unit B-G-8, BBT One,
Lebuh Batu Nilam 2,
Bandar Bukit Tinggi,
41200 Klang, Selangor

SS2

24, Jalan SS2/66,
47300 Petaling Jaya, Selangor

Sunway Pyramid

Lot LG2.69,
Lower Ground 2,
Sunway Pyramid Shopping Mall,
No. 3, Jalan PJS 11/15,
Bandar Sunway,
46150 Petaling Jaya, Selangor

Ampang

No. 86G, Lorong Mamanda 1,
Ampang Point,
68000 Selangor

KLIA

Lot L2-75, Terminal KLIA2,
KL International Airport,
Jalan Klia 2/1,
64000 KLIA Sepang, Selangor

Cheras

No. 3-G, Jalan C180/1,
Dataran C180,
43200 Cheras, Selangor

Putrajaya Alamanda

Lot LG08, Lower Ground Floor,
Alamanda Putrajaya Shopping Centre,
Jln Alamanda, Precinct 1,
62000 Putrajaya

Melaka

Melaka
No. 2, Jalan Plaza Merdeka,
Plaza Merdeka,
75000 Melaka

Negeri Sembilan

Seremban
No.62A, Jalan Tuanku Munawir,
70000 Seremban, N.Sembilan

Johor

Taman Molek
6 & 8, Jalan Molek 1/12,
Taman Molek,
81100 Johor Bahru, Johor

Danga Walk

Blk 6 G-35, Danga Walk,
Batu 4-1/2, Jalan Skudai,
80200 Johor Bahru, Johor

Batu Pahat

No. 1-1D, Jalan Zabedah,
83000 Batu Pahat, Johor

Penang

Pulau Tikus
368-1-02, Jalan Burmah,
10350 Pulau Tikus, Penang

Seberang Jaya

8, Ground Floor,
Jalan Todak Dua,
Pusat Bandar,
Bandar Seberang Jaya,
13700 Prai, Penang

Bayan Baru

8, Ground Floor, Jalan Todak Dua,
1B-G-08 and 1B-G-09, Ground Floor,
One Precinct Lengkok Mayang Pasir,
11950 Bayan Baru, Penang

Kedah

Alor Setar
No. 2 And 3,
Kompleks Perniagaan Pintu,
10, Jalan Pintu Sepuluh,
05100 Alor Setar, Kedah

Perak

Ipoh
Lot C-01-04, No. 2, Ground Floor,
Persiaran Greentown 3,
Greentown Business Centre,
30450 Ipoh, Perak

De Gardens

DGR-1A, Ground Floor,
No.1, Persiaran Medan Ipoh,
Medan Ipoh,
31400 Ipoh, Perak

Pahang

Kuantan
No. 91, Jalan Tun Ismail,
25000 Kuantan, Pahang

Kelantan

Kota Bharu
S/16, PT 232,
Lot 1A, Jalan Hamzah,
15050 Kota Bharu, Kelantan

Sabah

Api-Api
Lot 5/G3, Ground & First Floor,
Api-Api Centre,
88000 Kota Kinabalu, Sabah

1-Borneo

Lot G612,
1 Borneo Hypermall,
Jalan Sulaman,
88450 Kota Kinabalu, Sabah

Sarawak

Kuching
Lot 506-507, Section 6 KTL D,
Jalan Kulas Tengah,
93400 Kuching, Sarawak

Miri

Lot 2037,
Jalan Datuk Temenggong Oyong Lawai,
Marina Square Phase 1,
98000 Miri, Sarawak

Bintulu

Lot 18 & 19,
Parent Lot 7668,
Blk 31, Kemena Land District,
97000 Bintulu, Sarawak

Sibu

No. 17 & 19, Ground Floor,
Jalan Tong Sang,
Off Jalan Wong King Huo,
96000 Sibu, Sarawak

Digi Service Counters

Kedah

Sungei Petani
Kompleks Amanjaya Mall,
No. 1, Jalan Jati 1,
Lot 3B, Tingkat Bawah,
Sg Petani,
08000 Kedah

Perak

Seri Manjung
Billion Shopping Centre,
No. 2477, Taman Samudera,
32040 Seri Manjung, Perak

Taiping

No. 428, Taman Saujana,
Jalan Kamunting,
34600 Kamunting, Taiping, Perak

Terengganu

Kuala Terengganu
63B, Jalan Sultan Ismail,
20200 Kuala Terengganu

Sabah

Sandakan
Lot 162, Block 18,
Ground Floor,
Prima Square, Mile 4,
90000 Sandakan, Sabah

Tawau

TB 586, Lot 45,
Tacoln Commercial Complex,
Jalan Haji Karim,
91000 Tawau, Sabah