



Responses to questions received from shareholders – Pre-submitted

Digi.com Berhad's 25th Annual General Meeting

No.	Question Received from Shareholders	Responses
Door gift / e-vouchers		
1.	For continuous of 3 years, why Digi do not reward the shareholders who are attending the virtual AGM?	<ul style="list-style-type: none"> • Digi has been delivering attractive and sustainable shareholder returns over the past 3 years despite the challenging operating environment. • We have been consistently exceeding our dividend policy by rewarding loyal shareholders with near 100% of dividend payout ratio. • In addition, Digi have been actively supporting societal recovery by providing free 1GB productivity data daily, offering a wide range of products and services to mass consumers and Malaysian businesses, along with other Covid-19 initiatives which we believe have benefited our esteemed shareholders who are also our customers and Malaysia society at large. • We take note of your feedback and the Board will evaluate this for next AGM.
2.	<p>We understand that Digi has decided not to give door gifts to shareholders this year. Would the Board consider giving out either of the following instead?</p> <ul style="list-style-type: none"> • E-vouchers distribution from MyDigi apps; • E-cash vouchers • E-wallets reloads pin • Higher dividend amount above RM0.20 and above • F&B E-voucher 	<ul style="list-style-type: none"> • There will be no distribution of AGM door gifts physical or electronically this year • As part of our commitment towards responsible business, we have prioritised our resources to ensure our customers and frontliners can stay connected especially throughout the health crisis and to ensure our network is optimised to support the increase in data traffic demands.
5G		
3.	<p>Could the Board and management explain why Digi users are still not able to enjoy 5G?</p> <p>Is it due to the disagreement on the commercial terms or technical-related matters?</p> <p>Does the company see a risk in being “forced” to sign an agreement with Digital National Berhad (DNB)?</p> <p>The Minister has mentioned that Digi has yet to reply on the DNB’s equity take-up proposal. Any comments from the management with regards to all these DNB and 5G-related queries?</p>	<ul style="list-style-type: none"> • The model chosen by Malaysia for 5G with an exclusive Single Wholesale Network (SWN) is a new operating model for Malaysia and all Parties. • Digi is eager to start offering 5G to our customers. However, before we can launch, our key priorities are to ensure that customers get a positive and seamless first experience and that frames, terms and conditions are in the interest of customers and fair and transparent for all MNOs. • Complex discussions are ongoing with regulator, industry, and key stakeholders. Several critical and inter-dependent elements such as the regulatory framework, wholesale pricing and technical testing are currently under discussion and review. • The outcome of these complex discussions will have a significant impact on the ability for Malaysians to get affordable and worry-free 5G services, and hence it is important to get these frameworks right. • We will take these discussions with the relevant stakeholders and are unable to comment on specifics around the equity process or agreements under review.



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4.	<p>Can we expect 5G to be successfully rolled out in Klang Valley, rather than just Langkawi in 2023?</p> <p>Can Digi consider a strategic partnership in healthcare industry for enhanced efficiency with higher-speed connection and secure network?</p>	<ul style="list-style-type: none"> • The 5G roll-out is run by DNB. We will work closely with all industry players and the regulators to ensure a successful 5G implementation nationwide. The details and expected rollout timeline will be shared in due course by DNB and the relevant authorities and regulators. • In January 2020, Digi has announced its partnership with Hospital Sultanah Maliha in Langkawi and Collaborative Research In Engineering, Science & Technology (CREST) to pilot the first 5G connected ambulance in Malaysia to enable real-time medical data transfers between paramedics and the hospital. • This showcase is part of Digi's use case in the 5G Demonstration Project (5GDP), undertaken by the MCMC to facilitate, develop and foster 5G use cases in a live but controlled environment. • Digi is also continuously facilitating new 5G use case tests at the 5G OpenLab space in Cyberjaya, an incubator space for businesses, academics and developers. The 5G OpenLab aims to build and nurture the development of a potential 5G ecosystem in a live but controlled environment with the goal of identifying more viable use cases that has the potential to better the community.
5.	<p>Can Digi deploy its own 5G infrastructure to complement DNB's infrastructure to provide the best coverage and quality of the cellular network?</p>	<ul style="list-style-type: none"> • As per Ministerial Direction No. 3 of 2021 ("MD 3/2021"), DNB is currently the single neutral party appointed by the Government to deploy 5G radio network nationwide, and to provide wholesale 5G services. Digi may deploy other 5G related infrastructure (e.g., Core network, Edge, etc.) to provide innovative and differentiated 5G services to Consumers and Enterprises, leveraging 5G radio network service from the SWN as an input.
6.	<p>Can Digi still utilise its own deployed 5G infrastructure (core & edge) since the government decided to roll out a single wholesale network through DNB? If cannot, is there any future plan for those devices that were capitalised?</p>	<ul style="list-style-type: none"> • Yes – according to MCMC regulation and DNB's license, MNOs will continue to utilise or deploy their own Core network and Edge infrastructure. • Digi will leverage its deep customer insights, technical expertise and infrastructure to develop innovative and differentiated 5G services to Consumers and Enterprises, leveraging 5G radio network service from the SWN as an input.
Strategy / Future Plans		
7.	<p>How does Digi plan to expand network via replacing 3G services nationwide, to ensure full coverage in West and East Malaysia, including the rural and less-populated areas in Sabah and Sarawak. Can you share your next planning?</p>	<ul style="list-style-type: none"> • Prior to 3G sunset, Digi has a wider coverage on 2G network nationwide as compared to 3G network. As such, our 2G coverage is far better than 3G. • At the moment, Digi and other industry players are working closely with MCMC as part of the JENDELA program to expand the 4G network coverage into rural and less populated areas including Sabah and Sarawak. These areas are highly prioritised in the upcoming Phase 2 of JENDELA program and the industry players are fully committed to deliver on national ambition to provide wider coverage and better quality of broadband experience for the Rakyat, whilst preparing the country for 5G technology.
8.	<p>Does Digi invest and/or provide low orbit and satellite communication inbound to improve support services?</p>	<ul style="list-style-type: none"> • Digi is currently using satellite technology (VSAT) for transmission connectivity to provide coverage to some remote areas.



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		<ul style="list-style-type: none"> Digi does not provide low orbit satellite or satellite communications for network coverage. However, this is currently being discussed with relevant authorities. More information will be shared at the right time when details are more forthcoming.
9.	Does Digi invest in Malaysia's underground sea cable? Can you share your internal reporting in deep sea cable?	<ul style="list-style-type: none"> Digi does not invest in building of subsea cables but we do lease bandwidth from existing providers to support our need to connect and transmit data.
10.	Will Digi implement own satellite provider in next 2023 or 2024? Will Digi introduce satellite network service?	<ul style="list-style-type: none"> There are no plans at the moment for Digi to be a satellite provider.
11.	Does the company increase its overseas servicing in business expansion planning?	<ul style="list-style-type: none"> As one of the licensed service providers and one of the largest telcos in Malaysia, Digi is committed to provide the highest connectivity experiences to Malaysians whilst supporting the national digitalization plans. At the moment, we do not have any plans to expand internationally.
12.	Digi Fibre subscribers amounts to only 12,000 as per the annual report pg51. In which region are these subscribers mainly concentrated and how does Digi expect to increase uptake of its fibre products. Is this low subscriber issue due to not enough capacity from infra wise from TM?	<ul style="list-style-type: none"> Fibre is one of our potential growth areas through continuous efforts to upsell our existing customer base via Family Unlimited Bundles and attractive rebates. Our Fibre subs have grown over six times to over 16K users as of end-March 2022. We are confident on driving growth through trusting customer relationships along with our strategic acquisition and contracting efforts.
13.	Does the company will compete in more business solutions in international market?	<ul style="list-style-type: none"> At the moment, it is our primary focus to grow Business-to-Business (B2B) segment in Malaysia, by focusing on delivering digital solutions and customised connectivity offerings to SME and large enterprise markets given their rapid growth rates over the last two years. We do not have any plans to expand internationally.
14.	What is ratio of user in overall end-user and corporate user?	<ul style="list-style-type: none"> We do not disclose such breakdown at this juncture and will consider your request for future reporting.
15.	Does the company conduct case studies on technical issue and viral complains on quality of services?	<ul style="list-style-type: none"> Digi being a customer centric organization, places the highest importance and emphasis on quality of our services to customers. We review all customers complaints and take the necessary steps to address all issues raised.
16.	Does the company adopt any AI solutions to improve its business processes and services? Provide specific examples.	<ul style="list-style-type: none"> Digi has embarked on Touch Free Operations (TFO) where we use Automation, Machine Learning (ML) and AI as part of our way of work. This is in line with our strategies to enhance overall customer digital engagements and drive better growth and productivity. Over the years, we have ensured continuous use of AI/ML to improve network prediction and diagnosis, site degradation predictions, and real-time monitoring of key applications to enable proactive customer experience management. We have also enhanced the automated ticket handling system on MyDigi for faster complaint resolutions.



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		<ul style="list-style-type: none"> More information on our Modernisation journey can be obtained on Page 64 to 81 of our Annual Integrated Report 2021.
Performance Review		
17.	Does Digi expect to be adversely impacted by Cukai Makmur? Any numbers that can be shared? Q1 results showed the impact to be quite severe.	<ul style="list-style-type: none"> 1QFY22 Profit After Tax (PAT) was down by -10.9% Y-Y to RM236 million, still at a healthy 15.5% PAT margin, mainly attributed to the temporary tax rate increase from 24.0% to 33.0% for the implementation of Cukai Makmur in FY2022. For the full year, we have indicated that while we expect to see improved performance on the back of economic recovery, Digi's net earnings will be impacted by the higher one-off tax charge.
18.	The competitor is implementing long period of valid services to maintain number of active users on its network. How was company able to counter back with addictive values to attract more new customers?	<ul style="list-style-type: none"> During the year under review, we focused on building loyalty amongst Malaysian base through contracting and personalised renewal promotions. We have also curated multi-tiered internet passes for various segments such as youth, senior citizens and mass consumers and leveraging high-speed internet proposition to target new and underpenetrated segments. As such, we succeeded in expanding our active prepaid Malaysian base by +10.5% Year-on-year in FY2021 along with net addition of over 253K postpaid subscribers.
19.	Could Digi increase profit revenue from existing level to another 30%.	<ul style="list-style-type: none"> Thanks to our continuous investments in modernization, network and IT, Digi is one of the most efficient operators in Malaysia and our margins are at an industry-leading level. We will continue to focus relentlessly on modernisation to maintain our strong position and to offer attractive returns to our loyal shareholders.
20.	As the pandemic is over, has Digi experience back to normal and high demand depending mobile and mobility services?	<ul style="list-style-type: none"> Data demand has been on record high since the start of Movement Control Order (MCO) in 2020 as physical activities and educational learnings shifted to online platforms. As at 1QFY2022, we have recorded an average data per user of 21.0 GB, the highest since 2020. (1QFY2020: 17.4 GB, 1QFY2021: 19.7 GB) As the economic is gradually recovering and borders reopened this year, we are seeing the shift of data usage patterns from residential areas to commercial centers, while enjoying relatively high demand for our internet passes and mobile plans.
21.	How many amounts on CSR spends for sponsorships in education and other free services?	<ul style="list-style-type: none"> In line with Responsible Business commitment, Digi has been supporting the nation on societal recovery through various government-led initiatives and Yellow Heart programmes. Some of the initiatives were: <ul style="list-style-type: none"> Yellow Heart Education Data Packages alongside the CERDIK Initiative to provide free packages to students from low-income households Supported the Covid-19 Task Force and Frontline Hospitals by offering free connectivity plans and free devices, amongst other things Partnered with Astro on the #KamiCareMBiz programme by offering RM500,000 worth of digital solutions and mobile plans to help local micro and small business owners go digital Pledged RM1 million to GDRN (GLC/GLIC Disaster Response Network) via Mercy Malaysia to support Covid-19 relief efforts RM500,000 aid pledged for flood relief and recovery efforts



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		<ul style="list-style-type: none"> Accelerated businesses and SME digitalisation via the PENJANA grant More information on our Responsible Business initiatives and highlights can be obtained on Page 64- 81 of our Annual Integrated Report 2021.
22.	How many bad debt occur in postpaid business user in company?	<ul style="list-style-type: none"> Total expected credit loss (ECL) of RM54 million was recorded for FY2021 which is equivalent to ECL over postpaid revenue ratio of 2.2%. This is a substantial improvement with RM27 million (3.2%) lower ECL Y-Y. The lower expected credit losses in FY 2021 is attributable to a strong collection performance underpinned by our continued efforts to digitalise payment channels and increase touch-free points. We do not comment on specific postpaid segments. However, in general expected credit losses was well managed. This was aided by the reopening of the economy in 2H 2021 which helped businesses to get back on their feet.
23.	Kindly find ways to manage prosperity tax such as provide door gift to shareholders and increase director fees in order to attract best talent	<ul style="list-style-type: none"> Thank you for your proposal. The Board and the management will look into this matter accordingly
24.	<p>The Statement of Cash Flows recorded an investing cash outflow of RM121.537 million (FY2020: RM102.249 million) for the Purchase of intangible assets (page 145 of AR).</p> <p>(1) Notes 12 (page 184) disclosed the Intangible Assets as Computer Software. What is the nature of this intangible assets which requires yearly cash payment?</p> <p>(2) How is the amount of RM121.537 million arrived at and who is paid to?</p>	<ul style="list-style-type: none"> (1) Nature of this intangible assets is mainly for the development and implementation of the new IT systems. (2) The amount of RM121.537million was mainly paid to our IT services vendors.
Others		
25.	Is MyDigi app having a bug? I have been getting notifications on MyDigi app almost every 5 minutes once after receiving a call from Digi yesterday asking me to upgrade my plan and I rejected it.	<ul style="list-style-type: none"> Thanks for the feedback and we apologize for the inconvenience caused, we will continually evaluate and improve on the MyDigi apps user experience.