

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in DiGi.Com Berhad ("DiGi"), you should at once hand this Circular, together with the attached Form of Proxy, to the agent through whom you effected the sale or transfer for transmission to the purchaser or transferee.

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**DiGi.COM BERHAD**

(Company No.425190-X)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
IN THE ORDINARY COURSE OF BUSINESS**

**AND**

**EXTRACT OF THE NOTICE OF THE 9TH ANNUAL GENERAL MEETING**

Notice of the 9th Annual General Meeting which will be held at Sapphire Room, Level 1, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, on Friday 19 May 2006 at 10.00 a.m., together with the Form of Proxy are enclosed together in the 2005 Annual Report. The Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you are subsequently able to do so.

This Circular is dated 26 April 2006

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## Definitions

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“BCapital”	: Berjaya Capital Berhad
“BCorporation Group of Companies”	: BCorporation and its subsidiary and related companies (including the associated companies)
“BCorporation”	: Berjaya Corporation Berhad
“BLand”	: Berjaya Land Berhad
“Board”	: Board of Directors of DiGi
“BToto”	: Berjaya Sports Toto Berhad
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Cosway Corp”	: Cosway Corporation Berhad
“DiGi” or “the Company”	: DiGi.Com Berhad
“DiGi Group”	: DiGi and its subsidiary companies
“Dijaya Corp”	: Dijaya Corporation Berhad
“Director”	: Shall have the meaning given in Section 4 of the Act and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a Director of DiGi (or any other company which is its subsidiary or holding company) or a chief executive officer of DiGi, its subsidiaries or holding company
“DTSB”	: DiGi Telecommunications Sdn Bhd
“DunBush”	: Dunham-Bush (Malaysia) Bhd
“EGM”	: Extraordinary General Meeting
“Intan”	: Intan Utilities Berhad
“Listing Requirements”	The Listing Requirements of the Bursa Securities
“Major Shareholder”	: Means a person who has an interest or interests in one or more voting shares in the Company (or any other company which is its subsidiary or holding company)

## Definition (cont'd.)

and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company or subsidiary of its holding company

- "Matrix" : Matrix International Berhad
- "Person(s) Connected" : In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:-
- a) a member of the Director's or Major Shareholder's family, which family shall have the meaning given in Section 122A of the Act;
  - b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director's or Major Shareholder's family is the sole beneficiary;
  - c) a partner of the Director, Major Shareholder or a partner of a Person Connected with that Director or Major Shareholder;
  - d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - g) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
  - h) Shareholder and/or Persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
  - i) A body corporate which is a related corporation
- "Proposed Shareholders' Mandate" : Proposed renewal of existing shareholders' mandate for DiGi Group to enter into Recurrent Related Party Transactions in the ordinary course of business

## Definitions (cont'd.)

- “Recurrent Related Party Transactions” : Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for the DiGi Group’s day-to-day operations
- “Related Parties” : A Director, Major Shareholder and/or Persons Connected with such Director or Major Shareholder
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Telenor” : Telenor ASA, a company incorporated in Norway
- “Telenor Group” : Telenor and its subsidiary and related companies (including the associated companies)
- “TSVT” : Tan Sri Dato’ Seri Vincent Tan Chee Yioun

# Table of contents

<b>Circular to Shareholders of DiGi.Com Berhad</b>		<b>PAGE</b>
1	Introduction	<b>1</b>
2	Details of Proposed Shareholders' Mandate	<b>2</b>
3	Rationale for, and the Benefit to the DiGi Group from Transacting with all Classes of Related Parties	<b>14</b>
4	Conditions of the Proposed Shareholders' Mandate	<b>14</b>
5	Financial Effects of the Proposed Shareholders' Mandate	<b>14</b>
6	Directors' and Major Shareholders' Interests	<b>15</b>
7	Directors' Recommendation	<b>16</b>
8	Annual General Meeting	<b>16</b>
9	Further Information	<b>16</b>
<b>Appendix</b>		
Appendix I	Further information	<b>17</b>
Appendix II	Extract of the Notice of the 9th Annual General Meeting	<b>18-19</b>

**DiGi.COM BERHAD**

(Company No.425190-X)  
(Incorporated in Malaysia)

**Registered Office:**

Level 7 Setia 1  
15 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

26 April 2006

**Board of Directors:**

Arve Johansen (*Chairman/Non-Independent Non-Executive Director*)  
YBhg Tan Sri Datuk Amar Leo Moggie (*Independent Non-Executive Director*)  
YBhg Dato' Ab. Halim Bin Mohyiddin (*Independent Non-Executive Director*)  
Christian Storm (*Non-Independent Non-Executive Director and also Alternate Director to Arve Johansen*)  
Ragnar Holmen Korsaeath (*Non-Independent Non-Executive Director*)

To: The Shareholders of DiGi.Com Berhad

Dear Sir/Madam

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**1.0 INTRODUCTION**

- 1.1 The Company had on 10 May 2005 obtained a shareholders' mandate for the DiGi Group to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for DiGi Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The approval shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM of the Company schedule on 19 May 2006 unless approval for its renewal is obtained from the shareholders of the Company at the AGM.
- 1.2 The Board of Directors of DiGi Group had announced on 27 March 2006 of its intention to seek renewal of shareholders' mandate for Recurrent Related Party Transactions.
- 1.3 The purpose of the Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM, the Notice of AGM is set out in the Annual Report 2005.

## 2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

### 2.1 Provisions Under The Listing Requirements

Paragraph 10.09 of the Listing Requirements provides that a listed issuer may seek a shareholders' mandate in respect of recurrent transactions with related parties which are of a revenue or trading nature and are necessary for its day-to-day operations subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;
- (iii) the issuance of circular to shareholders for the shareholders' mandate shall include information set out in Part B of Appendix 10D and Appendix PN12/2001-A of Practice Note No.12/2001 of the Listing Requirements; and
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of a person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

### 2.2 Background information

The principal activity of DiGi is investment holding whilst its subsidiary companies are principally involved in the establishment, maintenance and provision of telecommunications and related services.

The subsidiary company of DiGi which is involved in the Recurrent Related Party Transactions is set out in the table below:

<b>Name of Company</b>	<b>Equity interest held</b>	<b>Principal Activities</b>
DTSB	100%	Establishment, maintenance and provision of telecommunications and related services.

The DiGi Group has in the past entered into Recurrent Related Party Transactions on terms not more favourable to the Related Party than those generally available to the public and which are not detrimental to the interests of the minority shareholders. Some of the transactions are bound by agreements and others could occur in accordance to periodic requirements and are not bound by any preceding agreements negotiated in advance.



The Proposed Shareholders' Mandate, if approved by the DiGi shareholders at the forthcoming AGM will take effect from the date of passing of the proposed ordinary resolution at the AGM and shall continue to be in force until:

- ( i ) the conclusion of the next AGM of the Company following the AGM at which the ordinary resolution for the Proposed Shareholders' Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or
- ( ii ) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- ( iii ) revoked or varied by a resolution passed by the shareholders at a general meeting;

whichever is the earlier.

Thereafter, the approval from shareholders will be sought for a renewal of the Proposed Shareholders' Mandate for Recurrent Related Party Transactions at each subsequent AGM of the Company.

Details of the Recurrent Related Party Transactions of the Company which are in accordance with Paragraph 10.09(1) of the Listing Requirements are set out in the ensuing paragraphs.

### 2.3 Class and Nature of The Recurrent Related Party Transactions

The class and nature of the Recurrent Related Party Transactions of the DiGi Group are tabulated 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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Telenor Group of Companies</b>					
Telenor	DTSB	User license fees	-	Telenor	66
Telenor Group	DTSB	Consultancy, personnel services payable, training programmes, professional fees and business service costs	-	Telenor	21,000
<b>Total</b>					<b>21,066</b>
<b>BCorporation Group and its unlisted related companies</b>					
BerjayaCity Sdn Bhd	DTSB	Site rental payable at RM1,000/month at Lot No.25, Bukit Tagar, Mukim Sungai Tinggi, Daerah Hulu Selangor, Selangor	(A)	TSVT	13
Berjaya Registration Services Sdn Bhd	DTSB	Receipt of printing & mailing services by DTSB	-	TSVT	15,094
Berjaya Soutex Sdn Bhd	DTSB	Site rental payable at RM1,620/month for land space at Batu 5, Jalan Kluang, 83000 Batu Pahat, Johor	(A)	TSVT	21
Berjaya Starbucks Coffee Company Sdn Bhd	DTSB	Purchase of coffee for promotional roadshows	-	TSVT	110
VRS (Malaysia) Sdn Bhd	DTSB	Site rental payable at RM3,150/month for renting of land at Lot 35A, Kulim Industrial Estate, 07000 Kulim, Kedah	(A)	TSVT	41
<b>Total</b>					<b>15,279</b>

**2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)**

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>BCapital and its unlisted related company</b>					
Eng Equity Sdn Bhd (Formerly known as Eng Securities Sdn Bhd)	DTSB	Site rental payable at RM550/month for renting of space at Wisma Zainah, No.95 Jalan Tun Razak, 80000 Johor Bahru, Johor	(A)	TSVT	7
Total					7
<b>BLand and its unlisted related companies</b>					
Amat Muhibah Sdn Bhd	DTSB	Site rental payable at RM4,000/month for renting of space at Desa Waterpark, Taman Danau Desa, KL	(A)	TSVT	52
Berjaya Georgetown Hotel (Penang) Sdn Bhd	DTSB	Site rental payable at RM3,289/month for renting of space at Berjaya Georgetown Hotel, 1-Stop Midlands Park, Burmah Road, Penang	(A)	TSVT	43
Berjaya Golf Resort Bhd	DTSB	Site rental payable at RM1,320/month for renting of space at Bukit Jalil Golf Resort, 57000 KL	(A)	TSVT	17
Berjaya Land Development Sdn Bhd	DTSB	Site rental payable at RM2,100/month for renting of space at Gemilang Apartments, 22-1-12, No.22 Jalan 2/10A, Batu 3½, Jalan Kelang Lama, KL	(A)	TSVT	27
Berjaya Megamall Management Sdn Bhd	DTSB	Space rental for promotion	(A)	TSVT	15

## 2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>BLand and its unlisted related companies (cont'd.)</b>					
Bukit Kiara Resort Bhd	DTSB	Site rental payable at RM2,330/month for renting part of land at Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara Off Jalan Damansara, 60000 KL	(A)	TSVT	30
Cempaka Properties Sdn Bhd	DTSB	1. Office rental payable at RM24,509.36/month for floorspace at Lot G22B & G23 (II) Ground Floor, Berjaya Megamall, Kuantan, Pahang 2. Rental of banner space for roadshow	(A)	TSVT	319 8
Gemilang Cergas Sdn Bhd	DTSB	Site rental payable at RM5,000/month for renting of space at No.116, Jln Sultan Abdul Samad, Brickfields, KL	(A)	TSVT	65
Klasik Mewah Sdn Bhd	DTSB	Payment of office & warehouse rental at RM41,500 /month for Lot 8 Jalan Delima 1/1 Subang Hi-Tech Industrial Park, 40000 Shah Alam	(A)	TSVT	540
Kota Raya Development Sdn Bhd	DTSB	Site rental payable at RM2,500/month for renting of space at Kota Raya Complex, Jalan Cheng Lock, KL	(A)	TSVT	33
Noble Circle (M) Sdn Bhd	DTSB	1. Site rental payable at RM9,873/month for renting of space at Menara Berjaya, KL Plaza, KL 2. Rental of banner space for roadshow	(A) -	TSVT	128 136

**2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)**

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>BLand and its unlisted related companies (cont'd.)</b>					
Nural Enterprise Sdn Bhd	DTSB	Site rental payable at RM1,210/month for renting of space at Plaza Berjaya, Jalan Imbi, KL	(A)	TSVT	16
Pakar Angsana Sdn Bhd	DTSB	Site rental payable at RM3,500/month for renting of land at PT No.57348, Jalan 32/31A, Berjaya Industrial Park, Shah Alam, Selangor	(A)	TSVT	46
Securiservices Sdn Bhd	DTSB	Site rental payable at RM3,500/month for renting of space at Petaling Indah Condominiums, Jalan 1C/149, Off Jalan Sg. Besi, KL	(A)	TSVT	46
Sinar Merdu Sdn Bhd	DTSB	Site rental payable at RM2,500/month for renting of space at KL Plaza, Jalan Bukit Bintang, KL	(A)	TSVT	33
Tiram Jaya Sdn Bhd	DTSB	Site rental payable at RM3,000/month for renting of space at Seri Pelangi Apartments, Jalan Genting Klang, KL	(A)	TSVT	39
<b>Total</b>					<b>1,593</b>
<b>BToto and its unlisted related company</b>					
Sports Toto Malaysia Sdn Bhd	DTSB	Rental payable at RM10,000/month for renting of service centre, back office & site at SS2/66, 47300 PJ, Selangor	(A)	TSVT	130
<b>Total</b>					<b>130</b>

### 2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Cosway Corp and its unlisted related companies</b>					
Stephen Properties Sdn Bhd	DTSB	Site rental payable at RM10,000/month for renting of space at Wisma Cosway, Level 28, No. 88 Jalan Raja Chulan, 50200 KL	(A)	TSVT	130
Total					130
<b>DunBush and its unlisted related companies</b>					
Dunham-Bush Industries Sdn Bhd	DTSB	Site rental payable at RM1,322/month for renting of space at Lot 5755-6, Kidamai Industrial Park, Bukit Angkat, Kajang, Selangor	(A)	TSVT	17
Dunham-Bush (Malaysia) Bhd	DTSB	Site rental payable at RM1,265/month for renting of space at Lot 8, Jalan P/7, Section 13, Kawasan Perusahaan Bangi 43650, Bangi, Selangor	(A)	TSVT	16
Topaire Sales & Services Sdn Bhd		Purchase and servicing of air conditioning	-	TSVT	28
Total					61
<b>Intan Utilities and its unlisted related company</b>					
Convenience Shopping Sdn Bhd	DTSB	Banner space rental for roadshows	-	TSVT	810
Total					810

**2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)**

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Matrix and its unlisted related companies</b>					
Berjaya Times Square Sdn Bhd	DTSB	1. Rental of floorspace for DiGi centre payable at RM33,288/month at Berjaya Times Square No.01-65, Jalan Imbi, KL	(A)	TSVT	433
		2. Site rental payable at RM13,454/ month for 15 & 16 <sup>th</sup> Floor , at Berjaya Times Square, No.01-65, Jalan Imbi, KL	(A)		175
		3. Space rental for promotion			81
Berjaya TS Management Sdn Bhd	DTSB	Advertisement and space rental for promotion	-	TSVT	30
Cosmo's World Theme Park Sdn Bhd	DTSB	1. Sole and exclusive naming sponsor of IMAX theatre	-	TSVT	1,000
		2. Purchase of tickets for promotion purposes			300
Total					2,019
<b>Other companies related to TSVT</b>					
Sun Media Corporation Sdn Bhd	DTSB	Advertisement and promotion	(6)	TSVT	20
WOFS.com Sdn Bhd	DTSB	Consultation services	(7)	TSVT	20
Total					40

### 2.3 Class and Nature of The Recurrent Related Party Transactions (cont'd.)

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	Note	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated value from 19.5.2006 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Dijaya Corp and its unlisted related companies</b>					
Dijaya Management Services Sdn Bhd	DTSB	Site rental payable at RM3,300/month for renting of space at Damansara Intan, No.1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor	(A) (8)	TSVT	43
Tropicana Golf & Country Resort Berhad	DTSB	Site rental payable at RM4,180/month for renting of part of land at Jalan Tropicana off Jalan Tropicana Utama, Persiaran Tropicana, Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor	(A) (8)	TSVT	50
Total					93
Grand Total					41,228

#### Notes for Page 4 to Page 10 :-

- (A) Rental is payable on a monthly basis. Tenure of rental is for a period of 3 years and is renewable thereafter.
- (B) The estimated values from 19 May 2006 (date of this AGM) to the date of the next AGM are based on historical records and budgets of the respective Recurrent Related Party Transaction. The value of these transactions may be subject to change.
- (1) *Telenor is a Major Shareholder of DiGi by virtue of its 61% equity interest held by its wholly-owned subsidiary, Telenor Asia Pte Ltd in DiGi.*
- (2) *TSVT, ceased to be a substantial shareholder of DiGi on 20 October 2005. TSVT is also Chairman/Chief Executive Officer of Berjaya Corporation Berhad (BCorporation) and the Chief Executive Officer of BToto. TSVT is also a Major Shareholder of BCorporation by virtue of his 38.57% direct interest in BCorporation and his deemed interests in BCorporation through his shareholdings in HQZ Credit Sdn Bhd ("HQZ"), B&B Enterprise Sdn Bhd ("B&B"), Lengkap Bahagia Sdn Bhd ("LBSB"), Hotel Resort Enterprise Sdn Bhd ("HRESB"), Nostalgia Kiara Sdn Bhd ("NKSB") as well as his deemed interest in Nautilus Corporation Sdn Bhd ("Nautilus") and Desiran Unggul Sdn Bhd (Desiran) As at 31 March 2006, HQZ, B&B, LBSB, HRESB, NKSB, Nautilus and Desiran own 1.20%, 1.47%, 0.78%, 10.22%, 1.94%, 0.01% and 0.05% interests in BCorporation respectively and they are Persons Connected with TSVT. By virtue of his interest in BCorporation, TSVT is deemed to be interested in the shares of BCorporation's subsidiaries to the extent these companies have an interest.*



TSVT's direct and indirect interests in BLand, BToto, BCapital, Cosway Corp, DunBush, Matrix, HQZ, B&B, LBSB, HRESB, NKSB and Nautilus as at 31 March 2006 are set out below:-

	% of Interest	
	Direct	Indirect
BLand	2.98	65.72(a)
BToto	4.58	48.23(b)
BCapital	0.17	61.80(c)
Cosway Corp	7.38	74.38(d)
DunBush	1.56	71.33(d)
Matrix	50.71	17.00(e)
HQZ	99.99	Nil
B&B	96.99	Nil
LBSB	Nil	100.00(f)
Nautilus	Nil	100.00(f)
HRESB	99.99	Nil
NKSB	66.86	11.47(g)

Notes:

- (a) Deemed interested by virtue of his interest in BCorporation, his deemed interests in Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly owned subsidiary of Matrix and Desiran Unggul Sdn Bhd ("Desiran"), a wholly owned subsidiary of Intan.
- (b) Deemed interested by virtue of his interest in BCorporation, B&B Berjaya VTCY Sdn Bhd and his deemed interest in Desiran, a wholly owned subsidiary of Intan.
- (c) Deemed interested by virtue of his interests in BCorporation and Intan.
- (d) Deemed interested by virtue of his interest in BCorporation.
- (e) Deemed interested by virtue of his interest in BCorporation and Vecc-Men Holdings Sdn Bhd and his interest in BToto, the holding company of Magna Mahsuri Sdn Bhd.
- (f) Deemed interested by virtue of his interests in B&B.
- (g) Deemed interested by virtue of his interest in Vecc-Men Holdings Sdn Bhd.
- (3) HRESB, a company controlled by TSVT is a Major Shareholder of BCorporation. As at 31 March 2006, HRESB owns 10.22% interest in BCorporation.
- (4) BCorporation's direct and indirect interests in BLand, Cosway Corp, DunBush, BCapital, BToto and Matrix as at 31 March 2006 are set out below:-

	% of Interest	
	Direct	Indirect
Bland	Nil	65.71(a)
Cosway Corp	Nil	74.38(b)
DunBush	Nil	71.33(b)
BCapital	Nil	61.76(b)
BToto	Nil	48.14(b)
Matrix	Nil	16.84(b)

Notes:

- (a) Deemed interested by virtue of its 100% interests in BGroup and Bukit Tinggi Resorts Berhad.
- (b) Deemed interested by virtue its 100% interests in BGroup.
- (5) BGroup's direct and indirect interests in BLand, Cosway Corp, DunBush, BCapital, BToto and Matrix as at 31 March 2006 are set out below:-

	% of Interest	
	Direct	Indirect
Bland	Nil	65.03(a)
Cosway Corp	Nil	74.38(b)
DunBush	Nil	71.33(c)
BCapital	31.13	30.63(d)
BToto	Nil	48.14(e)
Matrix	Nil	16.84(f)

Notes:

- (a) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd ("TMSB"), Juara Sejati Sdn Bhd ("JSSB"), Bizurai Bijak (M) Sdn Bhd ("BBSB"), Espeetex Sdn Bhd ("ESB") and its interests in the related companies, Berjaya General Insurance Berhad ("BGI"), Prime Credit Leasing Sdn Bhd ("PCL"), Inter-Pacific Securities Sdn Bhd ("IPS"), Inter-Pacific Capital Sdn Bhd ("IPC"), Dunham-Bush Sales & Services Sdn Bhd ("DBSSSB") and BTSSB.
- (b) Deemed interested by virtue of its 100% interests in Garima Holdings Sdn Bhd ("GHSB") JSSB and BBSB and its interest in the related companies, BGI, PCL, IPS and Indah Corporation Berhad.
- (c) Deemed interested by virtue of its 100% interest in GHSB, JSSB and BBSB.
- (d) Deemed interested by virtue of its 100% interest in JSSB, BBSB and GHSB.
- (e) Deemed interested by virtue of its 100% interests in TMSB and its interests in the related companies, PCL, BGI, IPS and IPC.
- (f) Deemed interested by virtue of its 100% interests in TMSB and its interests in BLand and BCapital, the holding company of Berjaya General Insurance Berhad and Ambilan Imej Sdn Bhd as well as it deemed interest in BToto.
- (6) Sun Media Corporation Sdn Bhd is a wholly-owned subsidiary of Nexnews Berhad. TSVT is the Chairman and major shareholder of Nexnews Berhad by virtue of his direct and indirect interests of 23.34% and 6.84% respectively as at 31 March 2006.
- (7) WOFS.com Sdn Bhd is an Associate of MOL.com Berhad where TSVT is a Major Shareholder of MOL.com Berhad by virtue of his direct and indirect interests of 1.74% and 71.64% respectively as at 31 March 2006.
- (8) Dijaya Management Services Sdn Bhd and Tropicana Golf & Country Resort Berhad are subsidiaries of Dijaya Corporation Berhad where Tan Sri Dato' Danny Tan Chee Sing ("TSDT") is the Chairman/Group Chief Executive Officer and Major Shareholder of Dijaya Corporation Berhad by virtue of his direct and indirect interests of 28.96% and 27.21% in Dijaya Corporation Berhad respectively. TSDT is a brother to TSVT thus TSDT is a Person Connected with TSVT.

## **2.4 Method or Procedures On Which Transaction Prices Are Determined/Review Procedures For Recurrent Related Party Transactions**

The DiGi Group has established various methods and procedures to ensure that the Recurrent Related Party Transactions are entered into on an arm's length basis and on normal commercial terms which are consistent with the DiGi Group's normal business practices and policies and are on terms not more favourable to the Related Parties than those extended to third parties and are not detrimental to the minority shareholders:-

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The Related Parties and interested Directors will be notified of the method and/or procedures of the DiGi Group;
- (iii) Records of Recurrent Related Party Transactions will be retained and compiled by the Head of Finance for submission to the auditors and Audit Committee for review;
- (iv) Auditors shall review Recurrent Related Party Transactions as part of their audit programme and report findings to the Audit Committee;
- (v) The Audit Committee is to provide a statement that it has reviewed the terms of the Recurrent Related Party Transactions to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and is in the best interest of the DiGi Group;
- (vi) Directors who have any interests in any Recurrent Related Party Transactions shall abstain from Board deliberations and voting and will ensure that they and any Persons Connected with them will also abstain from voting on the resolution at the AGM to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of Recurrent Related Party Transactions during the financial year, amongst others, based on the following information:-
  - (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed issuer.

## **2.5 Statement by the Audit Committee**

The Audit Committee of DiGi has seen and reviewed the procedures mentioned in 2.4 above and are of the opinion that the abovementioned procedures, as well as the periodic reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the Recurrent Related Party Transactions are carried out on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

### **3.0 RATIONALE FOR, AND THE BENEFIT TO THE DiGi GROUP FROM TRANSACTING WITH ALL CLASSES OF RELATED PARTIES**

- 3.1** The Recurrent Related Party Transactions to be entered into by the DiGi Group are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve the synergistic benefits within the entire DiGi Group as a whole. As such, it is anticipated that the Recurrent Related Party Transactions would occur on a frequent and recurrent basis.
- 3.2** The Proposed Shareholders' Mandate will eliminate the need to make announcements to the Bursa Securities and/or to convene separate EGMs from time to time to seek shareholders' prior approvals for the entry by the DiGi Group into such Recurrent Related Party Transactions. This will also reduce substantial administrative time and expenses in convening such EGMs without compromising the corporate objectives of the DiGi Group or affecting the business opportunities available to the DiGi Group.
- 3.3** The Recurrent Related Party Transactions provide the DiGi Group the support for its operational and business needs and further enhance its ability to explore beneficial business opportunities and also to maximise the utilisation of human resources within the DiGi Group.

### **4.0 CONDITIONS FOR THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is conditional upon approval being obtained from shareholders at the forthcoming AGM. The Proposed Shareholders' Mandate being procured from shareholders of DiGi at the forthcoming AGM is subject to annual renewal.

### **5.0 FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital, earnings and net assets of the DiGi Group.

## 6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

6.1 The direct and indirect interests of the interested Major Shareholders and the interested Directors of DiGi and Persons Connected with them as at 31 March 2006 are summarised below:

Name	Direct Interest		Indirect Interest	
	Number of shares	%	Number of shares	%
<b>Interested Major Shareholder</b>				
Telenor	-	-	457,499,630(a)	61.00
<b>Directors</b>				
Arve Johansen	-	-	-	-
Christian Storm	-	-	-	-
Ragnar Holmen Korsæth	-	-	-	-

Note:

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

- 6.2 Telenor and TSVT being substantial shareholders, will abstain from voting in respect of their direct and/or indirect shareholdings on the respective ordinary resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM. (TSVT ceased to be a substantial shareholder on 20 October 2005. However, pursuant to the Listing Requirements he is a substantial shareholder for the preceding 12 months of the date on which the terms of the transactions were agreed upon.)
- 6.3 Telenor and TSVT have undertaken to ensure that Persons Connected with them will abstain from voting on the respective ordinary resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.
- 6.4 Arve Johansen, Christian Storm and Ragnar Holmen Korsæth are deemed interested in the Proposed Shareholders' Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor as these Directors are acting as nominees/representatives of Telenor which is the Major Shareholder of DiGi. These Directors have abstained and will continue to abstain from all deliberations on the Proposed Shareholders' Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor at all Board meetings.
- 6.5 Save as disclosed, none of the other Directors and Major Shareholders of DiGi and/or Persons Connected with them, has any interest, direct or indirect in the Proposed Shareholders' Mandate.

## 7.0 DIRECTORS' RECOMMENDATION

The Board of Directors having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that it is in the best interest of the DiGi Group and accordingly the Board (with the exception of Arve Johansen, Christian Storm and Ragnar Holmen Korsæth who have abstained from making a recommendation and giving an opinion on the Proposed Shareholders' Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor) recommends that you vote in favour of the ordinary resolutions on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## 8.0 AGM

- 8.1** An AGM, the notice of which is set out in the 2005 Annual Report of DiGi and an extract of which is enclosed in this circular, will be held at Sapphire Room, Level 1, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Friday, 19 May 2006 at 10.00a.m. for the purpose of considering and, if thought fit, passing the ordinary resolutions to give effect to the Proposed Shareholders' Mandate.
- 8.2** If you are unable to attend and vote in person at the AGM, please complete the Form of Proxy enclosed in the 2005 Annual Report of DiGi and forward it to the Company's Registered Office at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, so as to arrive not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently find that you are able to do so.

## 9.0 FURTHER INFORMATION

Shareholders are requested to refer to the attached appendix for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**DiGi.COM BERHAD**

Dato' Ab. Halim Bin Mohyiddin  
Independent Director

## Appendix I

### **FURTHER INFORMATION**

#### **1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of DiGi and they collectively and individually accept full responsibility for the accuracy and correctness of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Circular misleading.

#### **2. MATERIAL LITIGATIONS**

Neither DiGi nor any of its subsidiary companies is engaged in any material litigation, claim or arbitration either as plaintiff or defendant, and the Directors of DiGi are not aware of any proceeding pending or threatened against the DiGi Group, or of any facts likely to give rise to any proceeding which might materially and/or adversely affect the position or business of the DiGi Group.

#### **3. MATERIAL CONTRACTS**

Neither the Company nor any of its subsidiary companies has entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

#### **4. DOCUMENTS FOR INSPECTION**

The following documents will be available for inspection at the Registered Office of DiGi at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, during the normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the time set for convening the AGM:-

- (a) Memorandum and Articles of Association of DiGi; and
- (b) Audited consolidated accounts of DiGi for the past 2 financial years ended 31 December 2004 and 2005.

## Appendix II

**EXTRACT OF THE NOTICE OF THE 9TH ANNUAL GENERAL MEETING****ORDINARY RESOLUTION 6****Proposed Renewal of Existing Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature With Telenor ASA ("Telenor") And Persons Connected With Telenor**

"That, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given 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 26 April 2006 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;
- (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:-

- (i) the type of the recurrent related party transactions made; and
- (ii) the name 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."



## Appendix II

### EXTRACT OF THE NOTICE OF THE 9TH ANNUAL GENERAL MEETING (cont'd.)

#### ORDINARY RESOLUTION 7

#### **Proposed Renewal of Existing Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature With Persons Connected With Tan Sri Dato' Seri Vincent Tan Chee Yioun**

"That, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun as specified in Section 2.3 of the Circular to Shareholders dated 26 April 2006 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;
- (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:-

- (i) the type of the recurrent related party transactions made; and
- (ii) the name 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."

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