

CELCOMDIGI BERHAD**27th ANNUAL GENERAL MEETING HELD ON 27 MAY 2024****- Responses to questions received from shareholders – Pre AGM and during AGM**

No.	Question	Answer
Strategy		
1.	What is the Company's future outlook?	<ul style="list-style-type: none">• We are building CelcomDigi to be a progressive, forward-leaning and customer-centric organisation. This strong foundation combined with leveraging our widest network footprint, extensive distribution channels and partner ecosystem, wide range of innovative digital products and services, and superior customer experience will enable us to become the nation's top telco-tech company.• Moving forward in our journey, achieving growth and profitability amid a challenging market environment remains a top priority, and our strategy to win is straightforward - cementing market leadership, institutionalising operational excellence, trusted and excited brand for Malaysians.
2.	Please explain how the merger of Digi and Celcom has benefitted the shareholders and what are the lessons from this merger?	<ul style="list-style-type: none">• Shareholders able to benefit from the combination of scale, competencies, financial strengths and experience in serving the diverse needs of Malaysian consumers.• We strengthened the potential yield of return from the strengthened core Telco position and ability to drive sustainable growth beyond core.• Learnings amongst others:<ul style="list-style-type: none">- people integration needs to be done fast to run the company, hence we place it as top priority, completed our organisation design and putting in place top 400 leaders- Don't lose sight of our customers – continue to be Customer Obsessed
3.	Why CelcomDigi is not going for data centre business?	<ul style="list-style-type: none">• CelcomDigi is actively pursuing connectivity solutions opportunity with data center operators and enterprise customers with data center requirements. This is in line with our stature and ambition as the top Telco-Tech in Malaysia.• With regards to participating in the data center business, this will entail strategic evaluation exercise taking into account CelcomDigi's strategic ambition and synergy commitment, risk appetite and financial investment priorities.
4.	Will the Board privatise CelcomDigi?	There is no such plan.
5.	When will share price be above RM5.00?	<ul style="list-style-type: none">• We are not able to predict the timing and movement in share price.• We are putting strategic efforts to reach our vision in becoming Malaysia's top Telco-Tech company, transforming beyond connectivity to lead in digitalisation and innovation.• We are committed to deliver returns to our shareholders.

Financial		
6.	Despite doubling of revenue in PAT, these gains are not reflected in EPS, which has grown from 10.4 sen to 13.2 sen only. Please explain why such increase is not reflected in EPS.	In FY2022, Digi issued 3,956 million new ordinary shares as part of purchase consideration to acquire 100% of issued share capital of Celcom Group from Axiata Group Berhad. Therefore, EPS in FY2022 is computed based on weighted average number of shares of 8,122 million while 2023 EPS is based on total number of shares of 11,732 million.
7.	Why higher depreciation cost on assets and right use of assets? This further prove that company acquire less valuable assets and equipment to sustain business operation.	<ul style="list-style-type: none"> Higher in FY2023 mainly due to results of the Group include Celcom's performance as it became a subsidiary on 30 November 2022, through the merger. In FY2022, only one month's portion from Celcom was added after the merger. Underlying increase attributable to revision in asset useful life from accounting policy harmonization and site rationalisation activities post-merger.
8.	Why door gift allocation diverted to fund director remuneration and medical expenses. This was evidenced from increase on staffs expenses and increase on non executive remuneration? Further noted that finance cost also escalate. It is widely believed that company leverage on borrowing to pay salary to the senior management.	<ul style="list-style-type: none"> The directors' fee and benefits payable have been benchmarked with the market and only the Directors who are not employees of Telenor Group or Axiata Group are entitled to receive director's fee and benefits payable. Higher finance costs in FY2023 were due: <ul style="list-style-type: none"> Results of the Group in FY2023 include Celcom's performance where else for FY2022, the results comprise only one month's portion from Celcom New borrowings to finance the acquisition of Celcom group as well as to fund capex investments. Free cash flow, driven by disciplined cost and working capital management, was robust and healthy, closed full year at RM2,298 million
9.	How is interest rate cut affect company business?	<ul style="list-style-type: none"> The last increase in the Overnight Policy Rate ("OPR") was in May 2023, bringing the rate to 3.00% and remains at this level to date. We manage our interest rate risk by having an optimal mix of fixed and floating-rate debts. Any rate cut will improve our finance cost on the floating-rate debt.
10.	How is inflation affecting company business?	<ul style="list-style-type: none"> As per BNM (Bank Negara Malaysia) Malaysia's report, headline inflation remained moderate at 1.7% in Q1'2024 vs. Q4 2023 at 1.6%. Whilst we closely monitor the impact of our nation's inflation to citizens and our customers, we remain committed to continue to provide the best connectivity at the right value for our customers.
11.	When is the company paying dividend and distribute treasury shares?	We remain committed with our dividend policy of distributing minimum 80% of our PAT, to be paid on quarterly basis.

Operational		
12.	How does the shutting down of Yodo services affect the company's financials and what is the plan for the existing employees of Yodo?	<ul style="list-style-type: none"> • CelcomDigi is not expected to have any material impact arising from the discontinuation of Yodo brand. • Yodo was a very good example of trying to do things differently as a business. We are very proud of the team and all they have accomplished in the last 6 years. We believe the experiences, learnings, and competencies developed in operating Yodo will contribute positively to CelcomDigi's future growth moving forward. • In view of this, all Yodo employees will be transitioned back to CelcomDigi to take on new opportunities within the company. Their return will fuel our next-generation talent pipeline, CDzens with skills and competencies required to push ahead with our Telco-Tech ambitions. We look forward to welcoming the team.
13.	Is there a VSS being offered following the merger? If yes, how much likely to be incurred for such exercise? How many workforce CDB seeking to rationalise?	<ul style="list-style-type: none"> • We offered VSS program in Q1 2024, purely on voluntary basis and subject to Management's acceptance. Approximately 600 employees have been accepted. • The VSS is a one-off program and will not be undertaken further in FY2024. • CelcomDigi recognised RM139 million in Q1 2024 for the VSS.
14.	How many subscribers have CDB lost to other mobile operators as a result of network disruptions or poor coverage during the network modernisation exercise?	<ul style="list-style-type: none"> • We continue to monitor our customer experience and feedback. We prioritise to mitigate and minimize network disruption, however, from time to time, we do encounter issues due to sudden spike of users as well as device related issue. • Our integration efforts centred around uplifting customer experience which resulted in customers enjoying improved download speeds between 20% - 26%, better signal strength between 13% - 16% in the post-consolidation area and reduction of customer complaints by 69%. Consequently, we continue to have subscribers growth Y-Y of 466k, serving 20.5 million subscribers nationwide.
15.	How is the DEI (Diversity, Equity & Inclusiveness) of Malaysian racial mosaic reflected in the employee composition of the group?	<p>We have a healthy DEI with a male, female ratio of 52:48 composition. We have some employees with physical limitations and we have ensured that the working environment is inclusive for these colleagues.</p> <p>We continue to be included in the 2023 Bloomberg Gender-Equality Index (GEI).</p>
16.	Appreciate if your side could provide the following information: a) Details regarding the duration of PwC's tenure as auditor for your company b) Any policies in place regarding the rotation of	<p>a) PwC has been the incumbent auditor of Celcom (Pre-merger) since 2008, and the auditor for Celcom's consolidation & Celcom's entities Post merger in 2023.</p> <p>b) We follow by the rotation of audit partners of the audit firms, which we believe is the best practice and to the best interest of CelcomDigi. The partners are rotated every 7 years to ensure independence of the audit.</p>

	<p>audit partners within your company</p> <p>c) Explanation for the increase in total auditors' remuneration as per table below, particularly the increase in other services provided by other auditors amounting RM3.4million</p> <p>d) The reason on the changes of auditors of the company</p>	<p>c) Other services fees provided by other auditors of RM3.4million is mainly arising from the consultancy services engaged for integration activities post-merger (non-recurring) and regulatory submissions performed for Celcom Group of entities i.e. RONR, USP, MCMC and tax (recurring, but only consolidated under CDB post-merger in 2023).</p> <p>d) EY has been the auditor of Digi for 18 years until the merger of Digi and Celcom. The merger resulted in a need to consider one auditor for the merged group and this assessment resulted in the change of auditors.</p>				
RRPT						
17.	RRPT with Axiata – revenue is mainly CDB providing services for other opcos?	Revenue is mainly relating to site infra lease income and commission fee on content related services provided by Axiata Group Berhad and its subsidiaries.				
18.	RRPT with Khazanah – What is the disposal of scrap for?	Disposal of network scraps from decommissioned assets that are no longer in use are sold to Cenviro Recycling, a Khazanah related company.				
Corporate Governance, Directors						
19.	From CG Report 2023, we take note that CelcomDigi departs from practice 5.2 where the board only consists of 40% independent non-executive directors. We appreciate if you can provide us with insights on any plan (if any) to increase the composition of independent non-executive directors to more than 50%.	<ul style="list-style-type: none"> We acknowledge the significance of having a predominance of independent directors to foster impartial board decisions. While presently, independent members constitute less than half of CelcomDigi's Board, our comprehensive framework, policies, and procedures are in place to prevent any undue influence on board decisions, whether originating internally or externally. Despite the current composition, the Board remains dedicated to adhering to principles of independence and transparency. The Board Nomination and Remuneration Committee will continue to review the composition of the Board to ensure alignment with best practices and regulatory requirements. 				
20.	How many terms can Directors hold? What is the succession planning for retiring directors?	<ul style="list-style-type: none"> All Directors are subject to retirement at least once in three years and shall be eligible for re-election. The Board Nomination and Remuneration Committee will continue to review the composition of the Board to ensure the selection of the most qualified candidates and effective succession planning. 				
21.	Appreciate if your side could provide the details on the fee structure and insights on the reason that the amount sought for approval for benefits payable to Non-Executive Directors has increases almost 100%, compared to previous AGM.	<ul style="list-style-type: none"> The proposed Directors' fees to be approved by the shareholders at the forthcoming annual general meeting ("AGM") remained unchanged at RM2,250,000. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Directors' fees approved for the period from 23 May 2023 until the conclusion of the next AGM in 2024</th> <th style="text-align: center;">Proposed Directors' fees for the period from 27 May 2024 until the conclusion of the next AGM in 2025</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">RM2,250,000</td> <td style="text-align: center;">RM2,250,000</td> </tr> </tbody> </table>	Directors' fees approved for the period from 23 May 2023 until the conclusion of the next AGM in 2024	Proposed Directors' fees for the period from 27 May 2024 until the conclusion of the next AGM in 2025	RM2,250,000	RM2,250,000
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		<ul style="list-style-type: none"> Proposed benefits payable is higher by RM107,800 Y-Y, and this is due to a change in the approach to the medical costs structure, shifting a larger portion of insurance premiums to self-funding (<i>also known as Administrative Services Only</i> (“ASO”)) while maintaining the same benefit. Below is the cost structure for benefits payable: <table border="1"> <thead> <tr> <th>Benefits payable</th> <th>23 May 2023 until the conclusion of the next AGM in 2024</th> <th>27 May 2024 until the conclusion of the next AGM in 2025</th> </tr> </thead> <tbody> <tr> <td>Telecommunications facilities @RM1,000 per month</td> <td>RM60,000</td> <td>RM60,000</td> </tr> <tr> <td>Medical and insurance coverage</td> <td>RM50,000 (excludes administrative service (“ASO”) only portion)</td> <td>¹RM157,800 (includes ASO portion)</td> </tr> <tr> <td>Total</td> <td>RM110,000</td> <td>RM217,800</td> </tr> </tbody> </table> <p>Note:</p> <p>¹ The medical and insurance coverage of RM157,800 (for 5 directors) is calculated based on the following assumptions:</p> <p>a) Premium cost of RM17,800 (for 5 directors) which constitute in-patient coverage (50% only), Group Term Life (“GTL”) and Group Personal Accident (“GPA”) insurances.</p> <ul style="list-style-type: none"> ASO cost of RM140,000 (for 5 directors) based on maximum exposure for in-patient (50% only) and Outpatient 	Benefits payable	23 May 2023 until the conclusion of the next AGM in 2024	27 May 2024 until the conclusion of the next AGM in 2025	Telecommunications facilities @RM1,000 per month	RM60,000	RM60,000	Medical and insurance coverage	RM50,000 (excludes administrative service (“ASO”) only portion)	¹ RM157,800 (includes ASO portion)	Total	RM110,000	RM217,800
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AGM														
22.	When will the Company conduct physical AGM?	<ul style="list-style-type: none"> The Company will continue holding virtual AGMs and provide facility for electronic voting at the same time. The virtual AGM allows and encourages the shareholders of the Company to participate actively in the AGM regardless of where they are. This is in compliance with the Practice 13.3 of MCCG, i.e. the listed company with a large number of shareholders should leverage technology to facilitate voting in absentia and remote shareholders’ participation at general meetings. 												
23.	How much does the company spend on this virtual AGM? I would like to request a printed hard copy of the company annual report.	<ul style="list-style-type: none"> The total cost of the virtual AGM is approximately RM40,000.00, which includes proxy processing and summary report, electronic poll voting for pre-general meeting and day of general meeting. Printed hard copy of annual report can be requested through Tricor Investor or email to invesrel@celcomdigi.com 												
24.	It is difficult to log in to AGM meeting. Please make it easier in the future.	<ul style="list-style-type: none"> Thank you for your feedback. We will evaluate this for next AGM. 												