



CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)

Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

Date: 17 November 2023

**Subject: INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

<u>Table of contents</u>	<u>Page</u>
Condensed Consolidated Statement of Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 14
Additional information required by the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities LR") (Appendix 9B)	15 - 31

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30 SEP 2023	30 SEP 2022	30 SEP 2023	30 SEP 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	3,104,379	1,531,886	9,407,344	4,592,469
Other income	15,342	3,981	50,271	19,123
Net gain/(loss) on foreign exchange and fair value movement of foreign currency forward contracts	3,579	(966)	16,682	(2,145)
Depreciation, amortisation and impairment	(871,655)	(306,560)	(2,684,448)	(913,220)
Other expenses ¹	(1,556,709)	(785,776)	(4,916,102)	(2,377,745)
Net gain/(loss) on fixed assets written-off and disposed	463	(12,688)	15,413	(36,335)
Gain on termination of leases	1	-	1,798	561
Fair value loss on investment in shares	(42)	-	(41)	-
Finance costs	(159,946)	(57,159)	(481,814)	(186,213)
Interest income	23,574	7,046	68,120	19,694
Share of profit of an associate and a joint venture	13,387	-	23,729	-
Profit before tax and zakat	572,373	379,764	1,500,952	1,116,189
Taxation and zakat	(113,582)	(115,282)	(373,481)	(395,515)
Profit for the period	458,791	264,482	1,127,471	720,674

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONT'D

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30 SEP 2023	30 SEP 2022	30 SEP 2023	30 SEP 2022
Other comprehensive income, net of tax				
<u>Item that may be reclassified to profit or loss in subsequent periods</u>				
Foreign currency translation differences	76	-	(382)	-
Total comprehensive income for the period, net of tax	458,867	264,482	1,127,089	720,674
Profit for the period, attributable to:				
- Owners of the Company	455,722	264,482	1,117,158	720,674
- Non-controlling interests	3,069	-	10,313	-
	458,791	264,482	1,127,471	720,674
Total comprehensive income for the period, attributable to:				
- Owners of the Company	455,798	264,482	1,116,776	720,674
- Non-controlling interests	3,069	-	10,313	-
	458,867	264,482	1,127,089	720,674
Earnings per share attributable to owners of the Company (sen per share):				
- Basic	3.88	3.40	9.52	9.27
- Diluted ²	NA	NA	NA	NA

Note:¹ Included in other expenses are professional and legal expenses in relation to the acquisition of Celcom Berhad (formerly known as Celcom Axiata Berhad) of nil for Q3 2023 and YTD Q3 2023 (Q3 2022: RM3.0 million; YTD Q3 2022: RM12.6 million).

Note:² NA denotes "Not Applicable"

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 14)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30 SEP 2023 RM'000	AUDITED AS AT 31 DEC 2022 RM'000
Non-current assets		
Property, plant and equipment	5,635,953	6,408,848
Intangible assets	18,999,105	18,694,727
Right-of-use assets	6,692,286	7,253,141
Investment in an associate and a joint venture	163,672	139,943
Other investments	36	78
Trade and other receivables	566,045	642,760
Contract costs	137,821	112,102
Contract assets	105,331	73,470
Derivative financial assets	61,617	43,342
Deferred tax assets	119,555	116,080
	32,481,421	33,484,491
Current assets		
Inventories	216,465	164,358
Trade and other receivables	2,345,736	2,424,002
Contract assets	272,607	148,325
Other investments	23	22
Tax recoverable	63,929	97,241
Derivative financial assets	470	-
Cash and short-term deposits	747,420	1,220,798
	3,646,650	4,054,746
TOTAL ASSETS	36,128,071	37,539,237
Non-current liabilities		
Trade and other payables	16,425	-
Loans and borrowings	11,128,852	10,747,919
Derivative financial liabilities	5,061	2,024
Deferred tax liabilities	1,361,781	1,730,623
Contract liabilities	10,303	15,298
Other liabilities	375,277	371,512
	12,897,699	12,867,376

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONT'D

	UNAUDITED AS AT 30 SEP 2023 RM'000	AUDITED AS AT 31 DEC 2022 RM'000
Current liabilities		
Trade and other payables	3,677,226	3,521,961
Contract liabilities	567,064	571,314
Derivative financial liabilities	-	640
Loans and borrowings	2,148,666	4,139,288
Tax payable	517,435	124,221
	<u>6,910,391</u>	<u>8,357,424</u>
Total liabilities	<u>19,808,090</u>	<u>21,224,800</u>
Equity		
Share capital	16,595,687	16,595,687
Foreign currency translation reserve	(279)	103
Share based payment reserve	234	-
Accumulated losses	(381,432)	(384,097)
Total equity - attributable to owners of the Company	<u>16,214,210</u>	<u>16,211,693</u>
Non-controlling interests ("NCI")	105,771	102,744
Total equity	<u>16,319,981</u>	<u>16,314,437</u>
TOTAL EQUITY AND LIABILITIES	<u>36,128,071</u>	<u>37,539,237</u>
Net assets per share (RM)	<u>1.39</u>	<u>1.39</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 14)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Foreign currency translation reserve RM'000	Share based payment reserve RM'000	Accumulated losses RM'000	Total RM'000	NCI RM'000	Total RM'000
At 31 December 2022/ 1 January 2023	16,595,687	103	-	(384,097) ¹	16,211,693	102,744	16,314,437
Profit for the financial period	-	-	-	1,117,158	1,117,158	10,313	1,127,471
Other comprehensive loss:							
- Currency translation differences of a subsidiary	-	(382)	-	-	(382)	-	(382)
Transaction with owners:							
- Dividend for the financial year ended 31 December 2022 - fourth interim dividend	-	-	-	(363,677)	(363,677)	(1,728)	(365,405)
- Dividend for the financial year ending 31 December 2023 - first interim dividend	-	-	-	(375,408)	(375,408)	(5,558)	(380,966)
- second interim dividend	-	-	-	(375,408)	(375,408)	-	(375,408)
- Share based payment	-	-	234	-	234	-	234
At 30 September 2023	16,595,687	(279)	234	(381,432)	16,214,210	105,771	16,319,981

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - CONT'D

	Share capital RM'000	Foreign currency translation reserve RM'000	Share based payment reserve RM'000	Accumulated losses RM'000	Total RM'000	NCI RM'000	Total RM'000
At 31 December 2021/ 1 January 2022	769,655	-	-	(136,844) ¹	632,811	-	632,811
Total comprehensive income	-	-	-	720,674	720,674	-	720,674
Transaction with owners:							
- Dividend for the financial year ended 31 December 2021 - fourth interim dividend	-	-	-	(303,225)	(303,225)	-	(303,225)
- Dividend for the financial year ended 31 December 2022 - first interim dividend	-	-	-	(225,475)	(225,475)	-	(225,475)
- second interim dividend	-	-	-	(217,700)	(217,700)	-	(217,700)
At 30 September 2022	769,655	-	-	(162,570)	607,085	-	607,085

Note: ¹ Included a historical deficit as a result of the Group's capital management initiatives carried out in the financial year ended 31 December 2012. The Company received dividends from one of its subsidiaries in the form of bonus issue of redeemable preference shares and capital repayment amounting to RM509 million and RM495 million respectively. The Company had declared part of these as special dividends to its shareholders. The deficit arose from the elimination of these intra-group dividends at Group level.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 14)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	PERIOD ENDED 30 SEP 2023	PERIOD ENDED 30 SEP 2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,500,952	1,116,189
Adjustments for:		
Non-cash items	2,783,632	1,035,441
Finance costs	481,814	186,213
Interest income	(68,120)	(19,694)
Operating cash flow before working capital changes	4,698,278	2,318,149
Changes in working capital:		
Net change in inventories	(45,103)	133
Net change trade and other receivables	(317,211)	(246,553)
Net change in contract assets	(203,645)	(3,942)
Net change in contract costs	(113,862)	(65,302)
Net change in trade and other payables	224,122	(15,366)
Net change in contract liabilities	(6,623)	(20,170)
Cash generated from operations	4,235,956	1,966,949
Government grant received	442,476	59,054
Defined benefit paid	(60)	(27)
Taxes paid (net of refund)	(319,272)	(193,744)
Net cash flows from operating activities	4,359,100	1,832,232
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(773,261)	(425,587)
Interest received	26,583	4,215
Additional consideration for acquisition of a subsidiary	(402,000)	-
Placement in deposits maturing more than three (3) months	(27,760)	-
Proceeds from disposal of property, plant and equipment	28,940	1,293
Net cash flows used in investing activities	(1,147,498)	(420,079)
Cash flows from financing activities		
Drawdowns of loans and borrowings	1,631,133	500,000
Repayments of loans and borrowings	(3,065,417)	(775,000)
Payment of lease liabilities	(809,851)	(287,261)
Interest paid	(347,238)	(122,890)
Dividends paid	(1,114,493)	(746,400)
Dividends paid to NCI	(7,285)	-
Net cash flows used in financing activities	(3,713,151)	(1,431,551)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - CONT'D

	PERIOD ENDED 30 SEP 2023 RM'000	PERIOD ENDED 30 SEP 2022 RM'000
Net decrease in cash and cash equivalents	(501,549)	(19,398)
Effect of exchange rate changes on cash and cash equivalents	411	176
Net increase in restricted cash ¹	(513)	-
Cash and cash equivalents at beginning of financial period	<u>1,218,292</u>	<u>204,527</u>
Cash and cash equivalents at end of financial period	<u><u>716,641</u></u>	<u><u>185,305</u></u>
Deposits, cash and bank balances	747,420	185,305
Less:		
Restricted cash ¹	(3,019)	-
Deposits maturing more than three (3) months	(27,760)	-
Total cash and cash equivalents at end of financial period	<u><u>716,641</u></u>	<u><u>185,305</u></u>

*Note:*¹ The restricted cash relates to deposits with licensed banks pledged as security for banking facilities granted to one of the subsidiaries.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 14)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MFRS 134: Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2022 except for the newly-issued Malaysian Financial Reporting Standards ("MFRS") and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts — Initial Application of MFRS 17 and MFRS 9 — Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

A2. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's performance for the current quarter and financial period to date has taken into account of the following:

(i) Finalisation of purchase consideration

On 30 November 2022, CelcomDigi Berhad (formerly known as Digi.Com Berhad) completed its acquisition of Celcom Berhad (formerly known as Celcom Axiata Berhad), for a total consideration of RM18.3 billion which was subject to finalisation under the terms of the Share Purchase Agreement ("SPA").

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (Cont'd)

(i) Finalisation of purchase consideration (Cont'd)

The Group finalised the total purchase consideration at RM18.7 billion in July resulting in an increase in the provisional goodwill by RM0.4 billion to RM15.8 billion, which is subject to the completion of the Purchase Price Allocation exercise within twelve (12) months from the date of acquisition.

(ii) Executive Share Grant Plan ("ESGP")

On 17 August 2023, the Group announced the establishment of an ESGP of up to 0.5% of the total number of issued ordinary shares in CelcomDigi (excluding treasury shares, if any) at any point in time during the duration of the share grant plan of 10 years, commencing from 17 August 2023, for the eligible employees who hold senior management position in CelcomDigi and its subsidiaries (excluding subsidiaries which are dormant).

Other than the above and as disclosed in Note A5, there was no other unusual item affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2023.

A4. Material Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial years that have a material effect for the financial period ended 30 September 2023.

A5. Debts and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial period ended 30 September 2023, other than as disclosed below:

Floating-Rate Term Financing-i ("FRTF-i"), Floating-Rate Term Loan ("FRTL"), Floating-Rate Revolving Credit-i ("FRRC-i"), Floating-Rate Revolving Credit ("FRRC"), Fixed-Rate Term Loan, Fixed-Rate Term Financing-i and Banker's Acceptance

For the financial period ended 30 September 2023, the Group made:

- drawdown of Banker's Acceptance amounting to RM0.97 million in January 2023
- drawdown of FRRC amounting to RM5.58 million in January 2023
- repayment of FRRC-i amounting to RM450.00 million in January 2023
- repayment of Banker's Acceptance amounting to RM0.50 million in January 2023
- repayment of FRTL amounting to RM0.01 million in January 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in January 2023
- drawdown of Banker's Acceptance amounting to RM0.97 million in February 2023
- drawdown of FRRC amounting to RM5.34 million in February 2023
- repayment of FRTL amounting to RM0.01 million in February 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in February 2023
- repayment of FRRC amounting to RM5.30 million in February 2023
- drawdown of FRRC amounting to RM5.07 million in March 2023
- drawdown of Banker's Acceptance amounting to RM0.96 million in March 2023
- repayment of FRTF-i amounting to RM75.00 million in March 2023

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A5. Debts and Equity Securities (Cont'd)

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial period ended 30 September 2023, other than as disclosed below: (Cont'd)

Floating-Rate Term Financing-i ("FRTF-i"), Floating-Rate Term Loan ("FRTL"), Floating-Rate Revolving Credit-i ("FRRC-i"), Floating-Rate Revolving Credit ("FRRC"), Fixed-Rate Term Loan, Fixed-Rate Term Financing-i and Banker's Acceptance

For the financial period ended 30 September 2023, the Group made: (Cont'd)

- repayment of FRTL amounting to RM62.50 million in March 2023
- repayment of Banker's Acceptance amounting to RM0.50 million in March 2023
- repayment of FRTL amounting to RM0.01 million in March 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in March 2023
- repayment of FRRC amounting to RM10.69 million in March 2023
- drawdown of Banker's Acceptance amounting to RM0.97 million in April 2023
- repayment of Banker's Acceptance amounting to RM1.51 million in April 2023
- repayment of FRTL amounting to RM0.01 million in April 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in April 2023
- drawdown of Sukuk amounting to RM1.00 billion in May 2023
- drawdown of FRTF-i amounting to RM600.00 million in May 2023
- drawdown of FRRC amounting to RM1.25 million in May 2023
- drawdown of Banker's Acceptance amounting to RM1.08 million in May 2023
- repayment of Fixed-Rate Term Financing-i amounting to RM2.40 billion in May 2023
- repayment of Banker's Acceptance amounting to RM0.97 million in May 2023
- repayment of FRTL amounting to RM0.01 million in May 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in May 2023
- drawdown of Banker's Acceptance amounting to RM1.25 million in June 2023
- repayment of FRTL amounting to RM50.00 million in June 2023
- repayment of Banker's Acceptance amounting to RM0.97 million in June 2023
- repayment of FRTL amounting to RM0.01 million in June 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in June 2023
- drawdown of FRRC amounting to RM3.00 million in July 2023
- drawdown of Banker's Acceptance amounting to RM1.20 million in July 2023
- repayment of FRTL amounting to RM0.01 million in July 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in July 2023
- repayment of Banker's Acceptance amounting to RM0.96 million in July 2023
- drawdown of FRRC amounting to RM1.20 million in August 2023
- drawdown of Banker's Acceptance amounting to RM1.20 million in August 2023
- repayment of FRTL amounting to RM0.01 million in August 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in August 2023
- repayment of Banker's Acceptance amounting to RM0.97 million in August 2023
- drawdown of Banker's Acceptance amounting to RM1.20 million in September 2023
- repayment of FRRC amounting to RM4.20 million in September 2023
- repayment of FRTL amounting to RM0.01 million in September 2023

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A5. Debts and Equity Securities (Cont'd)

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial period ended 30 September 2023, other than as disclosed below: (Cont'd)

Floating-Rate Term Financing-i ("FRTF-i"), Floating-Rate Term Loan ("FRTL"), Floating-Rate Revolving Credit-i ("FRRC-i"), Floating-Rate Revolving Credit ("FRRC"), Fixed-Rate Term Loan, Fixed-Rate Term Financing-i and Banker's Acceptance

For the financial period ended 30 September 2023, the Group made: (Cont'd)

- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in September 2023
- repayment of Banker's Acceptance amounting to RM1.10 million in September 2023

A6. Dividend Paid

During the financial period ended 30 September 2023:

- (i) the fourth interim tax exempt (single-tier) dividend of 3.1 sen per ordinary share amounting to RM363.7 million in respect of the financial year ended 31 December 2022 was paid on 29 March 2023;
- (ii) the first interim tax exempt (single-tier) dividend of 3.2 sen per ordinary share amounting to RM375.4 million in respect of the financial year ending 31 December 2023 was paid on 28 June 2023; and
- (iii) the second interim tax exempt (single-tier) dividend of 3.2 sen per ordinary share amounting to RM375.4 million in respect of the financial year ending 31 December 2023 was paid on 29 September 2023.

A7. Segment 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.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A8. Material Events During and Subsequent to the Current Quarter

There were no material events during and subsequent to the current quarter up to the date of this report, other than as disclosed in Note A3.

A9. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial period ended 30 September 2023 including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

A10. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2022.

A11. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment and intangible assets not provided for as of 30 September 2023 are as follows:

	RM'000
Approved and contracted for	<u>1,723,089</u>

A12. Related Party Transactions

Related party transactions entered into by the Group were carried out in the normal course of business and on agreed commercial terms with the related parties. Listed below are the significant transactions with related parties of the Group for the financial period ended 30 September 2023:

	RM'000
<u>Sale of goods and services:</u>	
Related companies:	
Bandwidth leasing	7,274
Cloud based software infrastructure services	30,975
Commission fees on content related services	19,836
Domestic interconnect and roaming revenue	19,118
International interconnect and roaming services	16,197
International SMS revenue	5,977
IT related services	977
Provision of telecommunication services	22,100
Site infrastructure lease income	16,501
Disposal of scrap	671
Joint venture company:	
Mobile virtual network operator related revenue	153,975

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A12. Related Party Transactions (Cont'd)

<u>Purchase of goods and services:</u>	RM'000
Related companies:	
Cloud based software infrastructure services	(5,381)
International interconnect and roaming services	(22,944)
Leased line/ Bandwidth leasing	(242,734)
Business Security cost	(4,948)
Business service costs	(81)
Managed Services including marketing and collection related services	(9,576)
Commission fees on content related services	(1,761)
Domestic interconnect and roaming expense	(5,023)
Global connectivity services	(3,014)
IP transit	(215)
IT related services	(6,045)
License and trademarks	(13,498)
Personnel services payable and professional service	(1,606)
Services rendered on Enterprise Resource Planning ("ERP") and enterprise applications	(625)
Site Operating Charges /Infrastructure leasing and related services	(555,679)
Provision of 5G services	(7,452)
Mobile virtual network operator related revenue	(704)
Managed services	(41,250)

Significant related party balances as at 30 September 2023 are as follows:

	RM'000
Receivables from related parties	23,547
Receivables from joint ventures	34,604
Receivables from associates	23
Payable to related parties	(84,455)
Payable to associates	(40,664)

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B)

B1. Review of Performance

(RM mil unless otherwise indicated)	Q3 2023	Q2 2023	Q3 2022	Variance		Variance		YTD 2023	YTD 2022	Variance	
				Q3 2023 vs Q2 2023	%	Q3 2023 vs Q3 2022	%			YTD 2023 vs YTD 2022	%
Revenue	3,104	3,123	1,532	(19)	(0.6)	1,572	>100	9,407	4,592	4,815	>100
PBT	572	468	380	104	22.2	192	50.5	1,501	1116	385	34.5
PAT	459	348	264	111	31.9	195	73.9	1,127	721	406	56.3

The results of the Group for the reported periods in 2023 include the full periods' results of Celcom Berhad Group (formerly known as Celcom Axiata Berhad Group) ("Celcom") which became a subsidiary of the Group on 1 December 2022 in a merger. Therefore, the Group's results for 2023 are not on a comparable basis to those of the comparative periods for 2022 which did not include any contribution of Celcom's results as these comparative periods were prior to 1 December 2022.

For a meaningful analysis of the underlying business performance of the Group, the financial analysis below has been prepared on a comparable basis where the comparative periods of 2022 have been adjusted to include the effects of the merger as if the merger had been effective since 1 January 2022 and exclude the associated transaction costs and accounting alignment adjustments:

(RM mil unless otherwise indicated)	Q3 2023	Q2 2023	Q3 2022 ¹	Variance		Variance		YTD 2023	YTD 2022 ¹	Variance	
				Q3 2023 vs Q2 2023	%	Q3 2023 vs Q3 2022	%			YTD 2023 vs YTD 2022	%
Financial indicator					%		%				%
Revenue	3,104	3,123	3,072	(19)	(0.6)	32	1.0	9,407	9,205	202	2.2
Service Revenue	2,712	2,707	2,708	5	0.2	4	0.1	8,122	8,101	21	0.3
Total Cost	(1,538)	(1,642)	(1,610)	104	(6.3)	72	(4.5)	(4,849)	(4,804)	(45)	0.9
EBITDA	1,567	1,480	1,462	87	5.9	105	7.2	4,558	4,401	157	3.6
EBITDA %	50.5	47.4	47.6		3.1		2.9	48.5	47.8		0.6
PBT	572	468	689	104	22.2	(117)	(17.0)	1,501	2,114	(613)	(29.0)
PAT	459	348	477	111	31.9	(18)	(3.8)	1,127	1,457	(330)	(22.6)
Operational indicator					%		%				%
Total subscribers ('000)	20,600	20,477	19,964	123	0.6	636	3.2	20,600	19,964	636	3.2
Blended ARPU (RM)	40	41	42	(1)	(2.4%)	(2)	(4.8%)	41	42	(1)	(2.6%)

¹ Comparable basis results which includes contribution from Celcom's results as if the merger was completed on 1 January 2022 and after excluding merger transaction costs and accounting alignment adjustments

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) - CONT'D

B1. Review of Performance (Cont'd)

(a) Comparison against preceding quarter (Q3 2023 vs Q2 2023)

The Group added 123,000 subscribers during the quarter, expanding the base to 20.6 million, where Service revenue rose by 0.2% in Q3 2023 to RM2,712 million with steady growth across core segments except Postpaid. The increase in Service revenue was contributed by higher solutioning revenue and improved contribution from wholesale business. Prepaid and Home and Fibre revenues continued to grow on the back of solid subscriber additions and healthy data adoption, as well as the introduction of new high-speed fibre plans and adds-on offerings, respectively during the quarter. These uplifts cushioned the decline in Postpaid revenue impacted by lower usage and further regulatory curbs on bulk messaging traffic in early July with restrictions on messages containing URLs, requests for personal information and phone numbers. Total revenue declined by 0.6% to RM3,104 million from softer device sales.

Total cost for Q3 2023 declined 6.3% (RM104 million) to RM1,538 million in tandem with lower device sales and lower operating expenses, mainly from lower regulatory and network related costs, as well as lower sales and marketing spend. Accordingly, EBITDA improved by 5.9% (RM87 million) to RM1,567 million reflecting an EBITDA margin of 50.5%.

The improved EBITDA, together with higher share of profits of an associate and a joint venture, lower depreciation and taxation, led to higher PBT and PAT for Q3 2023 at RM572 million and RM459 million respectively.

(b) Comparison against corresponding quarter of preceding year (Q3 2023 vs Q3 2022)

The Group's service revenue for Q3 2023 grew by RM4 million driven by subscriber base expansion of 636,000. Blended ARPU was lower at RM40 impacted by lower interconnect rate. Prepaid revenue increased from higher internet subscription as well as solid growth in subscriber base while Home Fibre segment's growth momentum continued with strong take-up of new high-speed fibre plans and add-on offerings in Q3 2023, softening the impact of lower revenue from Postpaid segment with slower traction for on-demand data. Total revenue grew 1.0% or RM32 million to RM3,104 million with higher devices sales.

Total cost for Q3 2023 declined 4.5% or RM72 million from lower regulatory, staff and network related costs, as well as sales and marketing spend. Accordingly, EBITDA improved by RM105 million to RM1,567 million while the PBT and PAT were lower by 17.0% and 3.8% respectively, impacted by accelerated depreciation commencing from Q4 2022 following the revision in assets useful life and sites rationalisation under the network integration plan.

(c) Comparison against preceding year (YTD 2023 vs YTD 2022)

The Group recorded a total revenue of RM9,407 million for YTD 2023, a 2.2% or RM202 million increase against the corresponding period in 2022 from higher device sales and service revenue. Service revenue grew 0.3% or RM21 million to RM8,122 million driven by steady growths in Prepaid and Home Fibre segments on the back of continuous subscriber base expansion, while Wholesale segment was impacted by lower contributions from wholesale partners and Postpaid segment's growth was impeded by the drop in interconnect rate effective in Mar 2023 and slower traction for on-demand offerings.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) - CONT'D

B1. Review of Performance (Cont'd)

(c) Comparison against preceding year (YTD 2023 vs YTD 2022) (Cont'd)

Total cost for YTD 2023 was higher by 0.9% or RM45 million from higher cost of sales in line with the higher device sales and higher traffic charges. The higher cost of sales was partially offset by lower operating expenses in regulatory, staff and sales and marketing costs while network and IT related costs were higher cater to increase in demand for data. Accordingly, EBITDA for YTD 2023 increased by 3.6% or RM157 million. PBT and PAT for YTD 2023 decreased by 29.0% and 22.6% respectively, impacted by the accelerated depreciation commencing from Q4 2022 with the revision in assets useful life and sites rationalisation.

B2. Explanatory Comments on Any Material Change in the Profit Before Tax for the Quarter Reported on as Compared with the Immediate Preceding Quarter

Material changes in the Group's Profit Before Tax for the current quarter compared to the immediate preceding quarter is provided in Note B1.

B3. Prospects For The Financial Year Ending 31 December 2023

The full-scale network integration programme that commenced in April 2023 have uplifted network performances with wider coverage and improved download speeds. The company is accelerating these integration activities, with the latest 4G and 5G-ready technologies aiming to offer customers a significantly elevated quality of experience, improving reach from 96% to 98% of populated areas nationwide.

CelcomDigi is also actively spurring digitalisation and 5G adoption among consumer and businesses through its affordable 5G device bundles and MY5G series, spearheading 5G thought leadership and promoting SME digitalisation. New strategic partnerships with various industry leaders and partners enabled us to unlock the best innovation beyond telecommunication services to customers in the age of "digital-everything".

The Malaysian economy has gained firmer grounds with tourism-related sectors and sustained inflows of migrant workers, coupled with a lower inflation rate that encourages higher private consumption and take-ups of mobile connectivity and digital solutions. CelcomDigi continues to promote affordable and wider range of solutions to targeted groups in line with the nation's digital aspirations to drive digital inclusion.

Barring unforeseen circumstances and potential impact from 5G dual network implementation, our guidance for the full year remains unchanged as follows:

Service Revenue Growth	Maintaining growth momentum
EBITDA Growth	Flat to low single digit increase
CAPEX-to-Total Sales Ratio	15% to 18%

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit/Profit Guarantee

Not applicable.

B5. Revenue

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products or service lines (which also represent our defined performance obligations).

	Note	PERIOD ENDED	PERIOD ENDED
		30 SEP 2023 RM'000	30 SEP 2022 RM'000
Major products/service lines			
Telecommunication revenue	(a)	8,008,109	3,951,496
Sales of devices	(b)	1,203,852	570,070
Lease income	(c)	81,366	69,896
Other revenue	(d)	114,017	1,007
		9,407,344	4,592,469

Timing of revenue recognition for respective major products/service lines represented by:

- (a) Services transferred over time
- (b) Devices transferred at a point in time
- (c) Lease income accounted for on a straight-line basis over the lease term
- (d) Cybersecurity, networking, information and communication solutions and other services transferred over time

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B6. Taxation

The Group's taxation charge for the current quarter and financial period ended 30 September 2023 respectively were made up as follows:

	Individual quarter	Cumulative quarter
	Quarter ended 30 SEP 2023 RM'000	Period ended 30 SEP 2023 RM'000
Income tax:		
- Current tax expense	(229,255)	(716,214)
- Under-provision in prior years	(6,536)	(29,584)
Deferred tax:		
- Net origination and reversal of timing differences	83,849	333,959
- Over-provision of deferred tax liabilities in prior years	38,360	38,358
Total	(113,582)	(373,481)

The Group's effective tax rate ("ETR") for the current quarter of 19.8% is below the statutory tax rate of 24.0%, due to over-provision of deferred tax liabilities in prior years. Overall, the Group's ETR for the financial period ended 30 September 2023 of 24.9% is above the statutory tax rate of 24.0% due to certain expenses which are not deductible for tax purposes.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed in the interval from the date of the last report and the date of this announcement.

As part of the merger approval which has been completed on 30 November 2022 ("Closing"), the Group has given Malaysian Communications & Multimedia Commission ("MCMC") an undertaking in the five (5) areas as follows:

(a) Spectrum divestment

The Group undertakes to return to MCMC a total of 70MHz of spectrum in the following three bands (each referred to as a "Band") to address the issue of spectrum concentration post-merger – 10MHz in the 1800MHz spectrum band, 20MHz in the 2100MHz spectrum band and 40MHz in the 2600MHz spectrum band; First band to be returned within two (2) years from Closing, second and third band within three (3) years from Closing.

(b) Mobile Virtual Network Operators ("MVNO") wholesale remedy

The Group undertakes to establish an independent MVNO wholesale business unit within six (6) months after Closing, and to ensure the continuity of access to wholesale services for existing and new MVNOs at terms no worse off than existing agreements for a duration of three (3) years from Closing.

(c) Divestment of Yoodo business

The Group undertakes to divest the Yoodo business within eighteen (18) months from Closing, failing which the Group will cease the operations of Yoodo business within a further three (3) months, in order to reduce the market influence it has in the prepaid segment.

(d) Removal of exclusive arrangements with distributors in five states

The Group undertakes during a period of three (3) years from Closing:

- (i) to remove exclusive arrangements with its exclusive distributors in Sabah, Labuan, Sarawak, Terengganu, Pahang, and Kelantan; and
- (ii) not to enter into new exclusive arrangements with distributors in these regions, unless otherwise approved by MCMC.

(e) Single corporate brand

The Group undertakes to position Digi's and Celcom's prepaid and postpaid products under a single corporate brand within 2 years of Closing.

As at the end of Q3 2023, the Group is progressing as planned and on track to meet the agreed timelines.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B8. Group Borrowings

RM denominated	As at 30 SEP 2023		As at 30 SEP 2022	
	RM'000 Current	RM'000 Non-current	RM'000 Current	RM'000 Non-current
<u>Secured</u>				
FRTL	167	1,723	-	-
Fixed-rate term financing	209	287	-	-
Banker's Acceptance	4,759	-	-	-
	<u>5,135</u>	<u>2,010</u>	<u>-</u>	<u>-</u>
<u>Unsecured</u>				
FRTL	175,000	519,824	157,883	-
FRTF-i	125,000	2,354,670	75,000	491,770
Sukuk	650,000	3,597,380	-	1,498,987
FRRC	1,250	-	-	-
Lease liabilities	1,192,281	4,654,968	465,783	2,076,088
	<u>2,143,531</u>	<u>11,126,842</u>	<u>698,666</u>	<u>4,066,845</u>
Total loans and borrowings	<u>2,148,666</u>	<u>11,128,852</u>	<u>698,666</u>	<u>4,066,845</u>

The Group's borrowings and debt securities portfolio of fixed and floating interest/profit rate are as follows:

	As at 30 SEP 2023 RM'000	As at 30 SEP 2022 RM'000
Borrowings and debt securities:		
Floating rate	3,182,393	724,653
Fixed rate	10,095,125	4,040,858
	<u>13,277,518</u>	<u>4,765,511</u>

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B8. Group Borrowings (Cont'd)

The weighted average effective interest/profit rates excluding lease liabilities at the reporting date for borrowings and debt securities are as follows:

	As at 30 SEP 2023 %	As at 30 SEP 2022 %
FRTL and FRTF-i	4	4
Fixed-rate term financing	4	-
Sukuk	4	4
FRRC and FRRC-i	4	-
Banker's Acceptance	5	-

B9. Financial Instruments

As at 30 September 2023 the Group's outstanding net derivative financial instruments are detailed below:

Type of derivatives	Notional value RM'000	Fair value - (liability)/asset RM'000
Foreign currency forward contracts		
- Less than one year	34,848	470
Interest rate swaps contracts		
- One year to three years	525,000	(1,293)
- More than three years	250,000	(3,768)
Convertible warrants in an associate:		
- One year to three years	19,251	61,617

Accounting Policy

The Group uses derivatives comprising foreign currency forward contracts and interest rate swaps to manage risk exposures related to changes in foreign currency and interest rates.

(a) Foreign currency risk

The Group enters into foreign currency forward contracts 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 in accordance with the Group's hedging policy. In line with the Group's 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. Firm commitments are netted-off against receivables denominated in the same currency, and only the net exposures are hedged so as to maximise the Group's natural hedge position.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B9. Financial Instruments – cont'd

Accounting Policy – cont'd

(b) Interest rate risk

The Group manages its interest rate risk by having a mixed portfolio of fixed and floating rate financial liabilities that is consistent with the interest rates profiles acceptable to the Group. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, a fixed interest rate for floating rates.

The Group uses interest rate swaps to hedge the fair value risk in relation to the fixed interest rates of Sukuk with notional principal amounts of RM775 million. The interest rate swaps entitles the Group to receive interest at a fixed rate ranging from 3.50% to 4.65% per annum, and in return, pays interest quarterly at floating rate plus a spread. The swaps mature at varying dates based on the maturity of different tranches of Sukuk.

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. The derivatives and their underlying exposures will be monitored on an on-going basis.

Credit Risk Management Policy

Foreign currency forward contracts and interest rate swap transactions are executed only with credit-worthy financial institutions in Malaysia that are governed by appropriate policies and procedures.

There were no changes in the cash requirement of, nor the policies governing the derivatives since the end of the previous financial year ended 31 December 2022.

Derivatives are stated at fair value which is equivalent to the marking of these derivatives to market, using prevailing market rates. Derivatives with positive market values (unrealised gains) are included under assets, whereas derivatives with negative market values (unrealised losses) are included under liabilities in the statement of financial position. Any gains or losses arising from derivatives held for trading purposes, or changes in fair value on derivatives during the financial period that do not qualify for hedge accounting are recognised in profit and loss as disclosed in Note B14.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation

There are no pending material litigations as at the date of this report, other than:

(i) Main Suit 1: Kuala Lumpur High Court Suit No. D1-22-1960-2008

Celcom Berhad (formerly known as Celcom Axiata Berhad) ("Celcom") and Celcom Resources Berhad ("Celcom Resources") vs Tan Sri Dato' Tajudin bin Ramli & 7 Others - Claim for damages for conspiracy – not quantifiable

On 24 October 2008, Celcom and Celcom Resources (also known as "the Plaintiffs") commenced proceedings in the High Court of Malaya in Kuala Lumpur against its former directors, namely (i) Tan Sri Dato' Tajudin Ramli ("TSDTR"), (ii) Dato' Bistamam bin Ramli ("DBR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), and (v) Oliver Tim Axmann ("OTA") (the Main Suit 1 Defendants named in items (iv) and (v) are collectively referred to as the "the German Directors"), as well as (vi) DeTeAsia Holdinge GmbH ("DeTeAsia") and (vii) Beringin Murni Sdn. Bhd. (collectively with the German Directors referred to as "the Defendants").

The Plaintiffs are seeking damages for conspiracy. The Plaintiffs claim that the Defendants wrongfully and unlawfully conspired amongst each other to cause financial injury to the Plaintiffs by causing and/or committing the Plaintiffs to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("2002 Supplemental Agreement") and the Amended and Restated Supplemental Agreement dated 4 April 2002 with DeTeAsia ("the ARSA") which entitled DeTeAsia to renounce its right shares in Celcom Resources. Consequently, DeTeAsia exercised its renunciation of certain rights issue shares in favour of TSDTR and BR at a significantly higher price than the prevailing value of the shares at that time.

On 23 June 2016, TSDTR and DBR, filed a statement of defence ("Defence for Main Suit 1") and counterclaim against the Plaintiffs seeking among others:

- (a) payment of the sum of RM6,246,492,000.00 or alternatively the sum of RM7,214,909,224.01 together with interest, being the same amount claimed by TSDTR in a separate counterclaim filed in the Kuala Lumpur High Court Suit No. D2-22-673-2006 (known as the Danaharta Suit) which was subsequently withdrawn pursuant to a purported global settlement agreement which did not include the Main Suit 1 ("TSDTR and DBR's Counterclaim against Main Suit 1");
- (b) pay all sums received by Telekom Malaysia Berhad ("TM") and Telekom Enterprise Sdn Bhd ("Telekom Group") from dividends and other payments from the Plaintiffs to be assessed;
- (c) withdraw all pending suits without liberty to refile and no order as to costs;
- (d) restraint from executing judgment procured from the pending suits;

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation (Cont'd)

(i) Main Suit 1: Kuala Lumpur High Court Suit No. D1-22-1960-2008 (Cont'd)

Celcom Berhad (formerly known as Celcom Axiata Berhad) ("Celcom") and Celcom Resources Berhad ("Celcom Resources") vs Tan Sri Dato' Tajudin bin Ramli & 7 Others - Claim for damages for conspiracy – not quantifiable (Cont'd)

- (e) indemnify TSDTR and DBR against all liability, payments, loss and damages incurred or suffered as a consequence or in relation to the pending suits;
- (f) punitive, aggravated and exemplary damages to be assessed for malicious prosecution;
- (g) interest and costs.

On 30 June 2016, the German Directors and DeTeAsia filed their respective defences.

TM filed an application to intervene in the Main Suit 1 in light of the allegations made against TM in TSDTR and DBR's counterclaim against Main Suit 1.

Following the decision of the Court of Appeal on 4 May 2017 in allowing TM's appeal to be added as a defendant to TSDTR and DBR's counterclaim, TSDTR and DBR filed an application to amend their defence and counterclaims on 19 May 2017 which was dismissed by the High Court on 29 June 2017.

On 24 July 2017, TSDTR and DBR filed an appeal to the Court of Appeal and that the same was dismissed by the Court of Appeal on 8 December 2017.

TSDTR and DBR filed the Notice of Motion for leave to appeal to the Federal Court against the dismissal of the Court of Appeal's decision dated 2 January 2018 and the same has been dismissed by the Federal Court.

The trial in the High Court had proceeded commencing from 22 January 2018 up until 8 October 2021.

On 15 November 2021, the Plaintiffs and DeTeAsia have reached an amicable settlement without any admission as to liability in respect of this Main Suit 1. The Plaintiffs have discontinued this Main Suit 1 with no order as to costs and without liberty to file afresh against AH, OTA and DeTeAsia.

The hearing for oral submission was held on 13 December 2022. The judge handed his decision on 10 February 2023.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation (Cont'd)

(ii) Main Suit 2: Kuala Lumpur High Court Suit No. D5-22-610-2006

Celcom and Celcom Resources vs TSDTR & 8 Others – (i) Claim for indemnification of sums paid as a result of International Chamber of Commerce in Paris (“ICC”) decision – RM791.6 million (ii) Damages for breach of fiduciary duties – Not quantifiable (iii) Claim for unauthorised profits made by TSDTR – RM446.0 million

On 28 April 2006, Celcom and Celcom Resources (also known as “the Plaintiffs”) instituted a claim against nine (9) of its former directors (namely (i) TSDTR, (ii) DBR, (iii) DLKY, (iv) Dieter Sieber (“DS”), (v) Frank-Reinhard Bartsch (“FRB”), (vi) Joachim Gronau, (vii) Joerg Andreas Boy (“JAB”), (viii) AH, and (ix) OTA, (Defendants named in items (iv) and (ix) collectively referred to as the “the German Directors”) (collectively referred to as the “the Defendants”).

The Plaintiffs are seeking an indemnification against the Defendants, for the sums paid by Celcom to DeTeAsia in satisfaction of the award granted in 2 August 2005 (“Award”)* by the Tribunal of the ICC alleging that the Defendants had breached their fiduciary duties by causing the Plaintiffs to enter into a Subscription Agreement dated 25 June 1996 with Deutsche Telekom AG (“the Subscription Agreement”) and the ARSA dated 4 April 2002 between DeTeAsia and the Plaintiffs. The defendants were inter alia, directors of the Plaintiffs at time of entry into the Subscription Agreement and the ARSA.

In addition, the Plaintiffs have also made a claim against TSDTR only, for the return of the alleged unauthorised profits made by him, all monies received by the directors arising out of such breaches, losses and damages in connection with the abovementioned agreements.

In summary, the Plaintiffs are seeking the following:

- (a) A declaration that the Defendants have acted in breach of their fiduciary duties and are liable to indemnify Celcom in relation to the sums paid out to DeTeAsia pursuant to the Award where the ICC found Celcom to be liable for the following:
 - (i) The sum of USD177.2 million (RM715.4 million) being the principal sum plus USD16.3 million (RM65.6 million) representing interest at the rate of 8% for the period from 16 October 2002 to 27 June 2003;
 - (ii) The cost of arbitration amounting to USD0.8 million (RM3.3 million); and
 - (iii) The sum of USD1.8 million (RM7.3 million) representing the legal costs
- (b) Damages for various breaches of fiduciary duties committed by them in relation to the entry into the Subscription Agreement and the ARSA; and

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation (Cont'd)

(ii) Main Suit 2: Kuala Lumpur High Court Suit No. D5-22-610-2006 (Cont'd)

Celcom and Celcom Resources vs TSDTR & 8 Others – (i) Claim for indemnification of sums paid as a result of International Chamber of Commerce in Paris (“ICC”) decision – RM791.6 million (ii) Damages for breach of fiduciary duties – Not quantifiable (iii) Claim for unauthorised profits made by TSDTR – RM446.0 million (Cont'd)

(c) The unauthorised profits claimed to have been made by TSDTR, amounting to RM446.0 million.

On 23 June 2016, TSDTR and DBR served their defence and counterclaim. In the defence and counterclaim, TSDTR and DBR are seeking, among others, the following relief from the Plaintiffs:

- (a) pay the sum of RM6,246,492,000.00 or alternatively the sum of RM7,214,909,224.01 together with interest, being the amount claim by TSDTR in his counterclaim in Kuala Lumpur High Court Suit No: D2-22-673-2006 which was withdrawn pursuant to a global settlement;
- (b) pay all sums received by TM and Telekom Enterprise Sdn Bhd (“Telekom Group”) from dividends and other payments from the Plaintiffs to be assessed;
- (c) withdraw all pending suits without liberty to refile and no order as to costs;
- (d) restraint from executing judgment procured from the pending suits;
- (e) indemnify TSDTR and DBR against all liability, payments, loss and damages incurred;
- (f) or suffered as a consequence or in relation to the pending suits;
- (g) punitive, aggravated and exemplary damages to be assessed for malicious prosecution; and
- (h) interest and costs.

On 30 June 2016, DS, FRB, JAB, AH and OTA served their Defence.

Following the decision of the Court of Appeal on 4 May 2017 in allowing TM’s appeal to be added as a defendant to TSDTR and DBR’s counterclaim, TSDTR and DBR filed an application to amend their Defence and Counterclaims on 19 May 2017 which was dismissed by the High Court on 29 June 2017.

On 24 July 2017, TSDTR and DBR filed an appeal to the Court of Appeal and that the same was dismissed by the Court of Appeal on 8 December 2017 with cost of RM1,000 to the Plaintiffs and RM5,000 to Telekom.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation (Cont'd)

(ii) Main Suit 2: Kuala Lumpur High Court Suit No. D5-22-610-2006 (Cont'd)

Celcom and Celcom Resources vs TSDTR & 8 Others – (i) Claim for indemnification of sums paid as a result of International Chamber of Commerce in Paris (“ICC”) decision – RM791.6 million (ii) Damages for breach of fiduciary duties – Not quantifiable (iii) Claim for unauthorised profits made by TSDTR – RM446.0 million (Cont'd)

TSDTR and DBR filed a notice of motion for leave to appeal to the Federal Court against the dismissal of the Court of Appeal's decision dated 2 January 2018 and the same has been dismissed by the Federal Court.

The trial in the High Court had proceeded commencing from 22 January 2018 up until 8 October 2021.

On 19 November 2021, the Plaintiffs and DeTeAsia have reached an amicable settlement without any admission as to liability in respect of this suit. The Plaintiffs have discontinued this suit with no order as to costs and without liberty to file afresh against DS, FRB, JAB, AH and OTA.

The hearing for oral submission was held on 13 December 2022. The judge handed his decision on 10 February 2023. The decision is as per below.

On 10 February 2023, the High Court has decided Main Suit 1 and Main Suit 2 in favour of the Plaintiffs and dismissed TSDTR and DBR's counterclaims in both suits with costs.

Following the decision of the High Court allowing the Plaintiffs' claims against TSDTR and DBR, and dismissing the latter's counterclaims in both suits with costs, the High Court on 29 July 2023 entered Judgment against TSDTR and DBR in the Suits as follows:

As against TSDTR:

- (a) The sum of RM214,662,248.15 together with prejudgment interest at the rate of 5% per annum from 26 September 1996 to the date of full realisation.
- (b) The sum of RM231,375,892.94 together with prejudgment interest at the rate of 5% per annum from 23 May 2002 to the date of full realisation.

As against TSDTR and DBR:

- (a) The sum of USD232,000,000.00 together with prejudgment interest at the rate of 5% per annum from 27 January 2006 to the date of full realisation.
- (b) Costs of RM2,621,500.00.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B10. Material Litigation (Cont'd)

Axiata Group Berhad ("Axiata") and CelcomDigi Berhad have agreed in the SPA that if the Plaintiffs are unsuccessful in defending the two (2) counterclaims in Main Suit 1 and Main Suit 2, Axiata shall indemnify the Group and pay when demanded, any losses incurred (but excluding certain non-direct losses) or any money or other consideration which may have to be provided by any member of the Group resulting out of or arising from the Main Suit 1 and Main Suit 2 ("TSDTR Indemnity"). The TSDTR Indemnity is uncapped in terms of quantum and time.

In the event that the Group receives any proceeds from both suits, the Group shall as soon as reasonably practicable, pay an amount equal to such proceeds to Axiata.

B11. Dividends

The Board of Directors has declared a third interim tax exempt (single-tier) dividend of 3.3 sen per ordinary share (Q3 2022: 3.4 sen per ordinary share) in respect of the financial year ending 31 December 2023, which will be paid on 22 December 2023. The entitlement date is on 5 December 2023.

A Depositor shall qualify for the entitlement only in respect of:

- (i) shares transferred to the Depositor's Securities Account before 4:30 p.m. on 5 December 2023 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

Year-to-date ("YTD") dividend for the financial period ended 30 September 2023 is 9.7 sen per ordinary share (YTD 2022: 9.1 sen).

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B12. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial period ended 30 September 2023 have been calculated as per the summary below:

	Individual Quarter		Cumulative Quarter	
	Quarter ended 30 SEP 2023 RM'000	Quarter ended 30 SEP 2022 RM'000	Period ended 30 SEP 2023 RM'000	Period ended 30 SEP 2022 RM'000
Earnings				
Profit for the period, attributable to owners of the Company	455,722	264,482	1,117,158	720,674
Weighted average number of ordinary shares ('000)	11,731,508	7,775,000	11,731,508	7,775,000
Basic earnings per share (sen)	3.88	3.40	9.52	9.27

Diluted Earnings Per Share - Not applicable

B13. Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 31 December 2022 were not subject to any qualification.

CELCOMDIGI BERHAD
(formerly known as Digi.Com Berhad)
Company no. 199701009694 (425190-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) -
CONT'D**

B14. Additional Disclosures

	Individual Quarter		Cumulative Quarter	
	Quarter ended 30 SEP 2023 RM'000	Quarter ended 30 SEP 2022 RM'000	Period ended 30 SEP 2023 RM'000	Period ended 30 SEP 2022 RM'000
(Allowance for expected credit losses)/reversal of expected credit losses on trade receivables and contract assets	(32,557)	144	(74,125)	(22,824)
Reversal for inventory obsolescence	816	708	7,004	2,100
Net gain/(loss) on fixed assets written-off and disposed	463	(12,688)	15,413	(36,335)
Fair value loss on investment in shares	(42)	-	(41)	-
Gain on termination of leases	1	-	1,798	561
Foreign exchange gain/(loss)	2,626	(1,324)	(2,703)	(2,811)
Fair value gain on derivative financial instruments	953	358	19,385	666
Fair value loss on interest rate swaps	(4,633)	(4,230)	(4,899)	(30,641)

Other than as presented in the condensed consolidated statement of comprehensive income and as disclosed above, there were no gains or losses on disposal of quoted or unquoted investments or properties nor any other material items for the current quarter and financial year to date ended 30 September 2023.

c.c. Securities Commission