

Directors' Profiles

Arve Johansen

Chairman

Non-Independent Non-Executive Director

Chairman of the Remuneration Committee

55 years of age, Norwegian



He was appointed to the Board as Deputy Chairman on 20 January 2000 and was subsequently appointed as Chairman of the Board on 12 January 2005. He holds a Master of Science in Electrical Engineering (Telecommunications) from the Norwegian Institute of Technology in Trondheim, Norway and has taken part in a programme for Management Development at the Harvard Business School in Boston, USA.

He has served as Senior Executive Vice President of Telenor since 1999 and as Chief Executive Officer (CEO) of Telenor Mobile Communications AS since January 2000. He joined Telenor in 1989 and has held a number of positions, including President and CEO of Telenor

International AS. Prior to this, he was Executive Vice President of Elektrisk Bureau Telecom (Ericsson of Norway), and a Research Engineer at the Norwegian Institute of Technology (ELAB).

Currently, he is the Chairman and Director of several companies in USA, Thailand, Greece and Norway. He also sits on the Boards of Telenor Asia Pte Ltd and DiGi Telecommunications Sdn Bhd.

Dato' Ab. Halim Bin Mohyiddin

Independent Non-Executive Director
Chairman of the Audit Committee
Member of the Nomination Committee
59 years of age, Malaysian



He was appointed to the Board on 23 November 2001. He holds a Bachelor of Economics in Accounting from University of Malaya and a Master in Business Administration from University of Alberta, Canada.

He was a lecturer at Universiti Kebangsaan Malaysia from 1973 to 1978. He joined Messrs Peat Marwick Mitchell (now known as KPMG) in 1977 and was admitted as a Partner in 1985. Prior to his retirement on 1 October 2001, he was the Partner in charge of the Assurance and Financial Advisory Services Divisions.

He is currently the President of the Malaysian Institute of Certified Public Accountants (MICPA), a council member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Malaysian Institute of Taxation. Internationally, he is a member of the Education Committee of the International Federation of Accountants (IFAC).

He also sits on the Boards of HeiTech Padu Berhad, Arab-Malaysian Corporation Bhd, Utusan Melayu (Malaysia) Berhad, MCM Technologies Berhad, Kumpulan Perangsang Selangor Berhad, Idris Hydraulic (Malaysia) Bhd, Amway (Malaysia) Holdings Berhad, Idaman Unggul Berhad, KNM Group Berhad and Bank Pembangunan & Infrastruktur Malaysia Berhad.

Directors' Profiles (continued)

Tun Dato' Seri Dr Lim Chong Eu

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nomination Committee
 85 years of age, Malaysian



He was appointed to the Board on 1 October 1997. He graduated with a Bachelor of Medicine and a Bachelor of Surgery (M.B.Ch.B) from the Edinburgh University, Scotland in 1944. He was the Chief Minister of Penang from 1969 to 1990 and the Chairman of Penang Development Corporation.

He was conferred the Darjah Utama Pangkuan Negeri (D.U.P.N.) by the Tuan Yang Terutama (TYT) Governor of Penang; the Seri Setia Mahkota Malaysia (S.S.M.) by the Yang Di-Pertuan Agong; the Datuk Amar Bintang Kenyalang (DA) by the TYT Governor of Sarawak; the Grand Cross 2nd Class Award by His Excellency the President of Germany; and the Order of the Rising Sun, Gold and Silver Star by His Majesty, the Emperor Akihito of Japan.

He is currently the Chairman of Chin Well Holdings Berhad, Suiwah Corporation Berhad and Berjaya Vacation Club Berhad. He also sits on the Boards of Southern Steel Berhad and United Overseas Bank (Malaysia) Berhad.

Gunnar Johan Bertelsen

Non-Independent Non-Executive Director
 48 years of age, Norwegian



He was appointed to the Board on 18 February 2004. Prior to his appointment to the Board, he was an Alternate Director for the period from November 2000 to February 2004. He graduated with a Diploma in Advanced Management from University College Dublin, Ireland. He also holds a Masters Degree in Business Administration from University College Dublin, Ireland.

Currently, he is also the Project Director of Telenor Asia Pte Ltd and a Director of DiGi Telecommunications Sdn Bhd.

Christian Storm

Non-Independent Non-Executive Director
 Chairman of the Nomination Committee
 Member of the Audit Committee
 Member of the Remuneration Committee
 49 years of age, Norwegian



He was appointed as a Director of the Company on 10 November 2004 and as the Alternate Director to Mr Arve Johansen on 23 February 2005. He holds a Masters Degree in Business Administration from University of Wisconsin, Madison, USA and a Bachelor of Science (Hons) Degree from University of Leeds, UK. He has served as an officer in Telenor ASA since 2001 in the Corporate Treasury department at the corporate headquarters in Oslo, Norway.

Since 1 September 2004, he has served as the Managing Director of Telenor Asia Pte Ltd in Singapore. He is both a Director as well as an Alternate Director in DiGi Telecommunications Sdn Bhd.

Ragnar Holmen Korsæth

Non-Independent Non-Executive Director
 Member of the Remuneration Committee
 39 years of age, Norwegian



He was appointed to the Board on 10 November 2004. He holds a Master of Science in Finance and Certified Financial Analyst (CFA) from the Norwegian School of Business Administration.

He served as Chief Financial Officer in Telenor International and Telenor Mobile from 1999 to 2004.

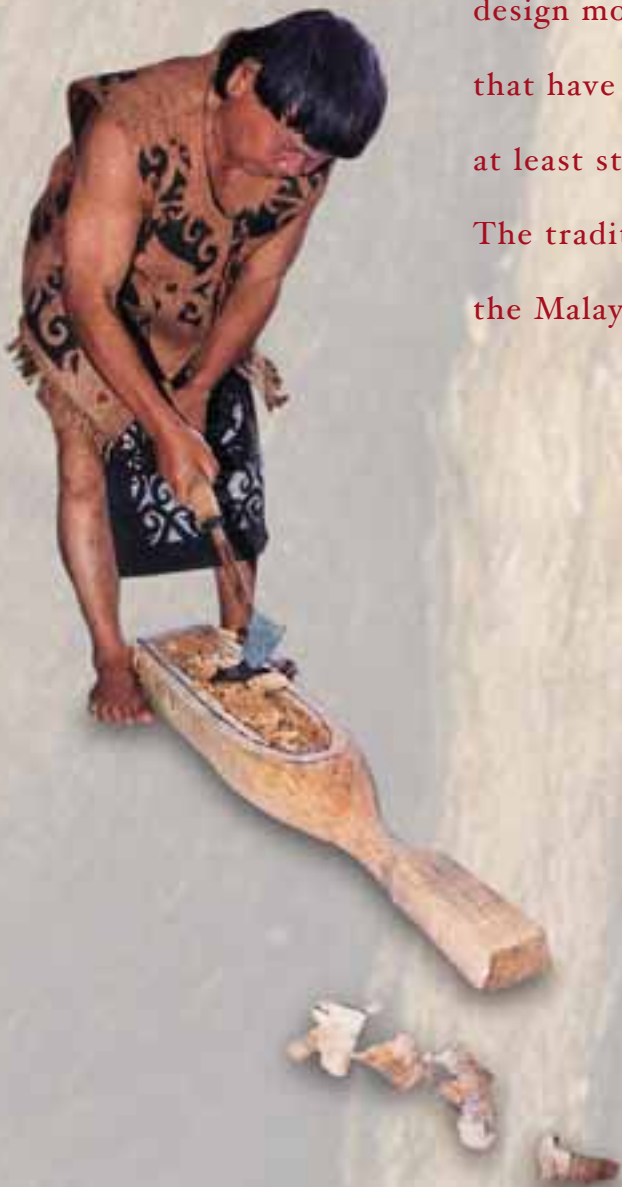
Currently, he is also the Chief Operating Officer of Telenor Mobile and a Director of DiGi Telecommunications Sdn Bhd.

Save as disclosed, none of the Directors have any:-

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

The details of attendance of each Director at Board Meetings are set out on page 14 of the Annual Report.

Traditional architecture in Malaysia reflects the country's indigenous natural resources, while the design motifs are influenced by the many cultures that have settled in the country over the years or at least stayed long enough to leave their imprint. The traditional architects built homes that suited the Malaysian environment, weather and lifestyle.





DiGi is launching *The Traditional Architect of Terengganu* project in the second quarter, 2005

Photo credit: Lim Jee Yuan, *The Malay House*

Statement on Corporate Governance

The Board of Directors ("Board") fully appreciates the importance of adopting high standards of corporate governance throughout the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability as well as corporate performance.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form, with the aim of ensuring board effectiveness in enhancing shareholder value. The Board is thus fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance ("Code") respectively.

The following statement sets out how the Company has applied the key principles and the extent of its compliance with the best practices throughout the financial year ended 31 December 2004.

A. Board of Directors

Board Responsibilities

The Board of Directors plays a primary role in corporate governance by setting out the strategic direction of the Group, establishing goals, monitoring the achievement of the goals and ensuring a high degree of transparency and accountability towards all stakeholders. The key responsibilities of the Board are in tandem with the 6 principal responsibilities specified under Best Practice AAI of the Code.

Meetings

The Board met four (4) times during the financial year ended 31 December 2004.

Details of each existing Director's meeting attendances are as follows:

Name	Attendance
Arve Johansen <i>Non-Independent/Non-Executive</i>	4/4
Tun Dato' Seri Dr Lim Chong Eu <i>Independent/Non-Executive</i>	4/4
Dato' Ab. Halim Bin Mohyiddin <i>Independent/Non-Executive</i>	3/4
Gunnar Johan Bertelsen <i>Non-Independent/Non-Executive</i> (Appointed w.e.f. 18.02.2004) (Ceased as Alternate Director to Sigve Brekke and Ole Bjorn Sjulstad w.e.f. 18.02.2004)	3/3
Christian Storm <i>Non-Independent/Non-Executive</i> (Appointed w.e.f. 10.11.2004)	1/1
Ragnar Holmen Korsæth <i>Non-Independent/Non-Executive</i> (Appointed w.e.f. 10.11.2004)	1/1
Tan Sri Dato' Seri Vincent Tan Chee Yioun <i>Non-Independent/Non-Executive</i> (Resigned w.e.f. 12.01.2005)	4/4
Ole Bjorn Sjulstad <i>Non-Independent/Non-Executive</i> (Resigned w.e.f. 10.11.2004)	3/3
Per Olav Fosse <i>Non-Independent/Non-Executive</i> (Resigned w.e.f. 10.11.2004)	3/3
Sigve Brekke <i>Non-Independent/Non-Executive</i> (Resigned on 18.02.2004)	Not Applicable

Two (2) out of the six (6) Board members are considered independent in accordance with the definition provided under paragraph 1.01 (Definition and Interpretations) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As such, the Company fulfils the requirement to have at least one third of the Board composed of Independent Non-Executive Directors.

Tun Dato' Seri Dr Lim Chong Eu has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

Board Balance

The Board currently has six (6) members, comprising two (2) Independent Non-Executive Directors and four (4) Non-Independent Non-Executive Directors. Together, the Directors bring a wide experience relevant to the direction of the Group. The Directors combine in them expertise and experience in various fields such as telecommunications, economics and investment, public services and accounting. Their expertise, experience and background result in thorough examination and deliberations of the various issues and matters affecting the Group. A brief description of the background of each Director is presented on pages 8 to 11 of the Annual Report.

There is a clear division of responsibility between the Chairman and the Chief Executive Officer (CEO) to ensure that there is a balance of power and authority. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The CEO is responsible for the day to day management of the business as well as implementation of Board's policies and decisions. There is also balance in the Board because of the presence of Independent Non-Executive Directors of the calibre necessary to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the roles of these Independent Directors are particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined and take into account the long term interest, not only of the shareholders, but also of employees, customers, suppliers, community and other stakeholders.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

Supply of Information

The Chairman ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director has also unhindered access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in furtherance of their duties. Prior to the meetings of the Board, Board papers which include reports on group performance and major operational, financial, strategic and regulatory matters are circulated to all the Directors. These Board papers are issued at least seven (7) days in advance to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

Statement on Corporate Governance (continued)

In addition, there are matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to control structure of the Group, including key policies and authority limits.

Appointments to the Board

The Nomination Committee currently comprises the following members:

Christian Storm	Chairman	Non-Independent/Non-Executive
Tun Dato' Seri Dr Lim Chong Eu		Independent/Non-Executive
Dato' Ab. Halim Bin Mohyiddin		Independent/Non-Executive

Christian Storm was appointed as a member/Chairman of the Nomination Committee with effect from 10 November 2004 to replace Ole Bjorn Sjulstad who has resigned as a Director on the same date.

The committee is empowered by its terms of reference to perform the following primary functions:

- Recommend new nominations to the Board;
- Recommend to the Board, Directors to fill the seats on Board Committees;
- Review annually the required mix of skills and experience and other qualities including core competencies that the Non-Executive Directors should bring to the Board.

Directors' Training

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) conducted by the organiser approved by Bursa Securities except for Christian Storm and Ragnar Holmen Korsæth who have sought extension of time to attend the MAP. The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge in compliance with the Bursa Securities' Listing Requirements on Directors' training.

Re-election

Any Director appointed during the year is required, under the Company's Articles of Association, to retire and seek re-election by shareholders at the following annual general meeting. The Articles also require that one-third of the Directors to retire by rotation each year and seek re-election at the annual general meeting and every Director shall retire from office once at least every three years but shall be eligible for re-election. Directors over seventy (70) years of age are required to seek shareholders' approval for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

B. Directors' Remuneration

Remuneration Committee

The Remuneration Committee currently comprises the following members:

Arve Johansen Chairman	Non-Independent/Non-Executive
Christian Storm	Non-Independent/Non-Executive
Ragnar Holmen Korsæth	Non-Independent/Non-Executive

Christian Storm was appointed as a member of the Remuneration Committee with effect from 10 November 2004 to replace Ole Bjorn Sjulstad who has resigned as a Director on the same date.

Ragnar Holmen Korsæth was appointed as a member of the Remuneration Committee with effect from 12 January 2005 to replace Tan Sri Dato' Seri Vincent Tan Chee Yioun who has resigned as a Director on the same date.

The primary function of the Remuneration Committee is to set up the policy framework and to make recommendations to the Board on all elements of the remuneration package and other terms of employment of the executive directors. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration.

Details of the Directors' Remuneration

The aggregate Directors' remuneration paid or payable to all Directors of the Company by the Group and categorized into appropriate components for the financial year ended 31 December 2004 are as follows:

	Allowances	Bonus	Other emolument	Total
	RM'000	RM'000	RM'000	RM'000
Non-Executive	220	174	38	432

The number of Directors of the Company whose total remuneration fall within the respective band are as follows:

	Number of Non-Executive Directors
RM50,000 and below	2
RM350,001 to RM400,000	1
	3
	3

Statement on Corporate Governance (continued)

C. Shareholders

Dialogue between Company and Investors

The Company recognizes the importance of regular communication with investors in the Company, with the annual report and financial statements, regular interim statements being the key media used. Enquiries by shareholders are dealt with as promptly as practicably possible. Shareholders, investors and members of the public may also access the Company's website to obtain information on the Company.

The Annual General Meeting ("AGM")

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the AGM. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial year. The CEO and members of management are also present at the AGM to clarify and explain any issue.

D. Accountability and Audit

Financial Reporting

DiGi aims to provide a balanced and meaningful assessment of the Group's financial performance and prospects primarily through the annual report, quarterly financial statements and analyst presentations. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting process and the quality of its financial reporting.

Statement of Directors' Responsibility in Respect of the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year/period which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company and of the results and cash flows of the Group and of the Company for that year/period. In preparing those financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Control

The Statement on Internal Control set out on pages 20 to 22 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 25 to 27 of the Annual Report. A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out on page 24 of the Annual Report.