

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

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

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

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**DiGi.COM BERHAD**

(Company No.425190-X )

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY**

**TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**EXTRACT OF THE NOTICE OF THE 7<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice of the 7<sup>th</sup> Annual General Meeting which will be held at Bronx V West Tower, Level 13A Berjaya Times Square Hotel & Convention Center, 1 Jalan Imbi, 55100 Kuala Lumpur on 28 April 2004 at 9.30 a.m., together with the Form of Proxy are enclosed together with the 2003 Annual Report. The Form of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you are subsequently able to do so.

This Circular is dated 6 April 2004

## **DEFINITIONS**

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

“Act”	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“BCapital”	: Berjaya Capital Berhad
“Berjaya Group of Companies”	: BGroup and its subsidiary and related companies (including the associated companies)
“BGroup”	: Berjaya Group Berhad
“BLand”	: Berjaya Land Berhad
“BToto”	: Berjaya Sports Toto Berhad
“CKS”	: Chan Kien Sing
“Cosway Corp”	: Cosway Corporation Berhad
“DiGi” or “the Company”	: DiGi.Com Berhad
“DiGi Group”	: DiGi and its subsidiary companies
“Director”	: Shall have the meaning given in Section 4 of the Act and includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a Director of DiGi (or any other company which is its subsidiary or holding company or a subsidiary of its holding company)
“DTSB”	: DiGi Telecommunications Sdn Bhd
“DunBush”	: Dunham-Bush (Malaysia) Bhd
“EGM”	: Extraordinary General Meeting
“Hyundai-Berjaya”	: Hyundai-Berjaya Corporation Berhad
“Listing Requirements”	The Listing Requirements of the MASEB
“Major Shareholder”	: Means a person who has an interest or interests in one or more voting shares in the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 5% of the aggregate of the nominal amounts of all the voting shares in the company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding 12 months of the

## DEFINITIONS ( Cont'd)

date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other company which is its subsidiary or holding company or subsidiary of its holding company

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

## **DEFINITIONS ( Cont'd)**

- “Related Parties” : A Director, Major Shareholder and/or Persons Connected with such Director or Major Shareholder
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Telenor” : Telenor ASA, a company incorporated in Norway
- “Telenor Group” : Telenor and its subsidiary and related companies (including the associated companies)
- “TSVT” : Tan Sri Dato’ Seri Vincent Tan Chee Yioun
- “TSAR” : Tan Sri Datuk Abdul Rahim Bin Haji Din

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**DiGi.COM BERHAD**  
(Company No.425190-X)  
(Incorporated in Malaysia)

**Registered Office:**  
11<sup>th</sup> Floor Menara Berjaya  
179 Jalan Bukit Bintang  
55100 Kuala Lumpur

6 April 2004

**Board of Directors:**

Tan Sri Dato' Seri Vincent Tan Chee Yioun (*Chairman/Non-Independent Non-Executive*)  
Arve Johansen (*Deputy Chairman/Non-Independent Non-Executive*)  
Tun Dato' Seri Dr Lim Chong Eu (*Independent Non-Executive*)  
Ole Bjorn Sjulstad (*Non-Independent Non-Executive*)  
Per Olav Fosse (*Non-Independent Non-Executive*)  
Gunnar Johan Bertelsen (*Non-Independent Non-Executive*)  
Dato' Ab. Halim Bin Mohyiddin (*Independent Non-Executive*)  
Chan Kien Seng (*Alternate Director to Tan Sri Dato' Seri Vincent Tan Chee Yioun*)  
Thor Asbjorn Halvorsen (*Alternate Director to Arve Johansen and Per Olav Fosse*)

To: The Shareholders of DiGi.Com Berhad

Dear Sir/Madam

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

**1.0 INTRODUCTION**

- 1.1 The Company has on 30 March 2004 announced to the MSEB its intention to seek the shareholders' mandate for the DiGi Group to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the DiGi Group's day-to-day operations and are in the ordinary course of business and on terms which are not more favourable to the Related Parties than those generally available to the public at the forthcoming AGM of DiGi.
- 1.2 On 18 January 2002, DiGi had made an application to the MSEB for an extension of time to procure the shareholders' general mandate in relation to the Recurrent Related Party Transactions. The MSEB had on 25 January 2002 approved the above extension of time from 1 February 2002 to 30 June 2002 for DiGi to procure the shareholders' general mandate.
- 1.3 On 8 February 2002, DiGi sought a waiver from the MSEB from making announcements and obtaining the shareholders' mandate in respect of Recurrent Related Party Transactions of a revenue or trading nature whereby the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public.

- 1.4** The MSEB had granted a waiver to DiGi vide a letter dated 27 March 2002 subject to the following conditions:-
- (i) The goods or services are purchased, sold or rendered based on a fixed price or graduated scale which is published or publicly quoted to all customers or classes of customers.
  - (ii) The prices or charges applicable to the DiGi Group are :-
    - (a) in the case of sale/ provision of Recurrent Related Party Transactions by the DiGi Group, no lower than the prevailing market prices; and
    - (b) in the case of receipts/purchase of such Recurrent Related Party Transactions by the DiGi Group, no higher than the prevailing market price;
    - (c) the material terms are applied consistently to all customers or classes of customers in respect of such Recurrent Related Party Transactions; and
    - (d) the rental of premises, sites or land for offices, the entry into or renewal of tenancy of properties is not more than 3 years, the terms of which is supported by an independent valuer.
- 1.5** The MSEB revoked the waiver on 27 August 2003 and the revocation is effective 6 months from the date of the notice or by the next general meeting of the Company, whichever is the later.
- 1.6** In view of the above, the purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM of the Company.

## **2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions Under The Listing Requirements**

Paragraph 10.08 of the Listing Requirements provides that where a listed issuer or any of its subsidiaries proposes to enter into a transaction which involves the interest, direct or indirect of a related party, the following provisions shall apply:-

- (i) an immediate announcement of such transactions must be made;
- (ii) if the value of the transaction is equal to or exceeds 5% of any one of the percentage ratios, the following must be complied with by the listed issuer:-
  - (a) a circular must be sent to the shareholders;
  - (b) the shareholders' approval of the transaction must be sought in general meeting; and
  - (c) an independent adviser must be appointed before terms of the transactions are agreed upon.
- (iii) if the value of the transaction is equal to or exceeds 25% of any one of the percentage ratios, a main adviser and an independent adviser approved by the Securities Commission must be appointed by the listed issuer before terms of such transactions are agreed upon.

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

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;
- (iii) the issuance of circular to shareholders for the shareholders' mandate shall include information set out in Part B of Appendix 10D of the Listing Requirements; and
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of a person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Where the Company has procured a shareholders' mandate pursuant to Paragraph 10.09 (1) of the Listing Requirements, the provisions of paragraph 10.08 of the Listing Requirements shall not apply.

## 2.2 Background information

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

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

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

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

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



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

whichever is the earlier.

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

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

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

The class and nature of the Recurrent Related Party Transactions of the DiGi Group are tabulated as follows:

DiGi Group with the following Related Parties	DiGi and/or its subsidiary companies	Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries	Note	Interested Directors /Major Shareholders and/or Persons Connected to them	Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Telenor Group of Companies</b>					
Telenor	DTSB	Receipt of professional and training services	-	Telenor	130
Telenor Consult AS ("TC")	DTSB	Personnel services payable	-	Telenor	7,842
Telenor Mobile Holding AS ("TMH")	DTSB	Professional services payable	-	Telenor	600
Total					8,572

DiGi Group with the following Related Parties	DiGi and/or its subsidiary companies	Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries	Note	Interested Directors /Major Shareholders and/or Persons Connected to them	Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )
<b>BGroup and its unlisted related companies</b>					
Berjaya Cycles Sdn Bhd	DTSB	Radio Base Station ("RBS") site rental payable at RM3,150/month for renting of land at Lot 35A, Kulim Industrial Estate, 09000 Kulim, Kedah	(A)	TSVT	38
Berjaya Registration Services Sdn Bhd	DTSB DiGi	Receipt of printing & mailing services by DTSB & share registration services by DiGi	-	TSVT, TSAR	5,698
Berjaya Soutex Sdn Bhd	DTSB	RBS site rental payable at RM1,500/month for land space at Batu 5, Jalan Kluang, 83000 Batu Pahat, Johor	(A)	TSVT	18
Convenience Shopping Sdn Bhd	DTSB	Banner space rental for roadshows	-	TSVT	216
Eminent Capital Sdn Bhd	DTSB	Trunk link site rental at RM1,000/month at Lot No 25, Bukit Tagar, Mukim Sungai Tinggi, Daerah Hulu Selangor, Selangor	(A)	TSVT	12
Inter-Pacific Trading Sdn Bhd	DTSB	General trading purchases	-	TSVT	480
Novacomm Integrated Sdn Bhd	DTSB	Receipt of advertising and public relations services	-	TSVT	60
Total					6,522

DiGi Group with the following Related Parties	DiGi and/or its subsidiary companies	Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries	Note	Interested Directors /Major Shareholders and/or Persons Connected to them	Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM (RM'000 )
<b>BCapital and its unlisted related companies</b>					
Eng Securities Sdn Bhd	DTSB	RBS site rental payable at RM550/month for renting of rooftop space at Wisma Zainah, No 95, Jalan Tun Razak, 80000 Johor Bahru, Johor	(A)	TSVT, CKS	7
Total					7
<b>BLand and its unlisted related companies</b>					
Amat Muhibah Sdn Bhd	DTSB	RBS site rental payable at RM4,000/month for renting of rooftop space at Desa Waterpark, Taman Danau Desa, KL	(A)	TSVT	48
Berjaya Georgetown Hotel (Penang) Sdn Bhd	DTSB	RBS site rental payable at RM3,289/month for renting of rooftop space at Berjaya Georgetown Hotel, 1-Stop Midlands Park, Burmah Road, Penang	(A)	TSVT	39
Berjaya Golf Resort Bhd	DTSB	RBS site rental payable at RM1,320/month for renting of watch tower space at Bukit Jalil Golf Resort, 57000 KL	(A)	TSVT	15
Berjaya Guard Services Sdn Bhd	DTSB	Receipt of security services rendered	-	TSVT	579
Berjaya Land Development Sdn Bhd	DTSB	RBS site rental payable at RM950/month for renting of rooftop space at Gemilang Apartments, 22-1-12, No 22, Jalan 2/10A, Batu 3 ½, Jalan Kelang Lama, KL	(A)	TSVT	11
Bukit Kiara Resort Bhd	DTSB	RBS site rental payable at RM2,160/month for renting part of land at Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara, Off Jalan Damansara, 60000 KL	(A)	TSVT	26

<b>DiGi Group with the following Related Parties</b>	<b>DiGi and/or its subsidiary companies</b>	<b>Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries</b>	<b>Note</b>	<b>Interested Directors /Major Shareholders and/or Persons Connected to them</b>	<b>Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )</b>
Gemilang Cergas Sdn Bhd	DTSB	RBS site rental payable at RM5,000/month for renting of Pines Condominiums rooftop space at No 116, Jln Sultan Abdul Samad, Brickfields, KL	(A)	TSVT	60
Klasik Mewah Sdn Bhd	DTSB	Payment of office & warehouse rental at RM39,450/month for Lot 8, Jalan Delima 1/1, Subang Hi-Tech Industrial Park, 40000 Shah Alam	(A)	TSVT	473
Kota Raya Development Sdn Bhd	DTSB	RBS site rental payable at RM1,100/month for renting of rooftop space at Kota Raya Complex, Jalan Cheng Lock, KL	(A)	TSVT	13
Noble Circle (M) Sdn Bhd	DTSB	1.RBS site rental payable at RM7,970/month for renting of rooftop space and International switching centre space at Menara Berjaya, KL Plaza, KL	(A)	TSVT	96
		2.Office rental payable at RM28,857.50/month for floorspace at Lot No G33.8, Grd Flr. Podium, KL Plaza, KL	(A)		346
		3.Office rental of RM28,833/month at Lot 26-30, 2 <sup>nd</sup> Floor, KL Plaza, KL	(A)		346
		4. Rental of banner space for roadshow	-		144
Nural Enterprise Sdn Bhd	DTSB	RBS site rental payable at RM1,210/month for renting of rooftop space at Plaza Berjaya, Jalan Imbi, KL	(A)	TSVT	14

<b>DiGi Group with the following Related Parties</b>	<b>DiGi and/or its subsidiary companies</b>	<b>Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries</b>	<b>Note</b>	<b>Interested Directors /Major Shareholders and/or Persons Connected to them</b>	<b>Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )</b>
Pakar Angsana Sdn Bhd	DTSB	RBS site rental payable at RM3,500/month for renting of land at PT No.57438, Jalan 32/31A, Berjaya Industrial Park, Shah Alam, Selangor	(A)	TSVT	42
Securiservices Sdn Bhd	DTSB	RBS site rental payable at RM3,500/month for renting of rooftop space at Petaling Indah Condominiums, Jalan 1C/149, Off Jalan Sg. Besi, KL	(A)	TSVT	42
Sinar Merdu Sdn Bhd	DTSB	RBS site rental payable at RM2,500/month for renting of rooftop space at KL Plaza, Jalan Bukit Bintang, KL	(A)	TSVT	30
Tiram Jaya Sdn Bhd	DTSB	RBS site rental payable at RM3,000/month for renting of rooftop space at Seri Pelangi Apartments, Jalan Genting Klang, KL	(A)	TSVT	36
Total					2,360
<b>BToto and its unlisted related companies</b>					
Sports Toto Malaysia Sdn Bhd	DTSB	Rental payable at RM9,700/month for renting of service centre, back office & rooftop for RBS site at SS2/66, 47300 PJ, Selangor	(A)	TSVT, CKS	116
Total					116

<b>DiGi Group with the following Related Parties</b>	<b>DiGi and/or its subsidiary companies</b>	<b>Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries</b>	<b>Note</b>	<b>Interested Directors /Major Shareholders and/or Persons Connected to them</b>	<b>Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )</b>
<b>Cosway Corp and its unlisted related companies</b>					
Dunham-Bush (Malaysia) Bhd	DTSB	RBS site rental payable at RM1,100/month for renting of rooftop space at Lot 8, Jalan P/7, Section 13, Kawasan Perusahaan Bangi, 43650 Bangi, Selangor	(A)	TSVT	13
Singer (M) Sdn Bhd	DTSB	RBS site rental payable at RM320/month for renting of rooftop space and shoplot at 291-292, Jalan Bandar 11, Taman Melawati, Selangor	(A)	TSVT	4
Stephen Properties Sdn Bhd	DTSB	RBS site rental payable at RM10,000/month for renting of rooftop space at Wisma Cosway, Level 28, No 88, Jalan Raja Chulan, 50200 KL	(A)	TSVT	120
Unza (M) Sdn Bhd	DTSB	RBS site rental payable at RM1,650/month for renting of rooftop space at UNZA Building, Lot 529, Persiaran Subang Permai, Subang Jaya, 46740 PJ, Selangor	(A)	TSVT	20
Total					157
<b>DunBush and its unlisted related companies</b>					
Dunham-Bush Industries Sdn Bhd	DTSB	RBS site rental payable at RM1,150/month for renting of part of rooftop space at Lot 5755-6, Kidamai Industrial Park, Bukit Angkat, Kajang, Selangor	(A)	TSVT	14
Topaire Sales & Services Sdn Bhd	DTSB	Purchase and servicing of air conditioning	-	TSVT	57
Total					71

DiGi Group with the following Related Parties	DiGi and/or its subsidiary companies	Nature of Transaction undertaken by /provided to DiGi and/or its subsidiaries	Note	Interested Directors /Major Shareholders and/or Persons Connected to them	Estimated value from 28.4.2004 (date of this AGM) to the date of next AGM ( RM'000 )
<b>Hyundai-Berjaya and its unlisted related companies</b>					
Hyundai-Berjaya Sdn Bhd	DTSB	RBS site rental payable at RM1,700/month for renting of rooftop space at 24, Jalan Pemberita U1/49, Temasya Industrial Park, Seksyen U1, Shah Alam	(A)	TSVT	20
Pentagon Engineering Sdn Bhd	DTSB	Construction of transmission tower, design and installation of base transmission sites	-	TSVT	16,472
<b>Total</b>					<b>16,492</b>
<b>Other companies related to TSVT</b>					
Berjaya Times Square Sdn Bhd	DTSB	1.Rental of floorspace for DiGi centre payable at RM33,005/month at Berjaya Times Square, No 01-65, Jalan Imbi, KL	(A)	TSVT	396
		2. RBS site rental payable at RM13,454/month for 15 & 16 <sup>th</sup> Floor, Rooftop & Basement space at Berjaya Times Square, No 01-65, Jalan Imbi, KL	(A) (6)		161
Hyumal Motor Sdn Bhd	DTSB	Repair and purchase of motor vehicles	(7)	TSVT	60
Roda Indah Motors Sdn Bhd	DTSB	Purchase of motor vehicles	(8)	TSVT	697
Quasar Carriage Sdn Bhd	DTSB	Repair & maintenance of motor vehicle	(9)	TSVT	6
<b>Total</b>					<b>1,320</b>
<b>Grand Total</b>					<b>35,617</b>

**Notes for Page 5 to Page 10 :-**

- (A) Rental is payable on a monthly basis. Tenure of rental is for a period of 3 years and is renewable thereafter.
- (B) The estimated values from 28 April 2004 (date of this AGM) to the date of the next AGM are based on historical records and budgets of the respective Recurrent Related Party Transaction. The value of these transactions may be subject to change.
- (1) *Telenor is a Major Shareholder of DiGi by virtue of the 61% equity interest held by its wholly-owned subsidiary, Telenor Asia Pte Ltd in DiGi. TMH and TC are wholly-owned subsidiaries of Telenor.*
- (2) *TSVT is the Chairman of DiGi and DTSB, a wholly owned subsidiary of DiGi. He is also the Chairman/Chief Executive Officer of BGroup and the Chief Executive Officer of BToto. TSVT resigned as the Chief Executive Officer of BLand on 28 March 2003. TSVT, a Major Shareholder of DiGi is also a Major Shareholder of BGroup by virtue of his interest in BGroup and his deemed interests in BGroup through his shareholdings in HQZ Credit Sdn Bhd ("HQZ"), B&B Enterprise Sdn Bhd ("B&B"), Lengkap Bahagia Sdn Bhd ("LBSB") as well as his deemed interest in Nautilus Corporation Sdn Bhd ("Nautilus"). HQZ, B&B, LBSB and Nautilus own 5.01%, 2.59%, 2.06% and 0.05% interests in BGroup respectively and they are Persons Connected with TSVT. By virtue of his interests in DiGi and BGroup, TSVT is deemed to be interested in the shares of DiGi's and BGroup's subsidiaries to the extent these companies have an interest.*

*TSVT's direct and indirect interests in BGroup, BCapital, BLand, BToto, Cosway Corp, DunBush, Hyundai Berjaya, HQZ, B&B, LBSB and Nautilus are set out below:-*

	% of Interest	
	Direct	Indirect
BGroup	26.06	9.71
BLand	2.29	63.53(a)
BToto	3.26	36.96(b)
BCapital	0.17	62.02(c)
Cosway Corp	7.02	71.45(d)
DunBush	1.57	71.72(d)
Hyundai-Berjaya	Nil	40.30(d)
HQZ	99.99	Nil
B&B	82.71	Nil
LBSB	Nil	100.00(e)
Nautilus	Nil	100.00(e)

Notes:

- (a) *Deemed interested by virtue of his interests in BGroup, Berjaya Times Square Sdn Bhd ("BTimes Square"), Bukit Tinggi Resort Berhad and his deemed interest in Desiran Unggul Sdn Bhd ("DUSB"), a wholly owned subsidiary of Intan Utilities Berhad ("IUB").*
- (b) *Deemed interested by virtue of his interest in BGroup, B&B and his deemed interest in DUSB, a wholly owned subsidiary of IUB.*
- (c) *Deemed interested by virtue of his interests in BGroup and IUB.*
- (d) *Deemed interested by virtue of his interest in BGroup.*
- (e) *Deemed interested by virtue of his interest in B&B.*
- (3) *BGroup's direct and indirect interests in BCapital, BLand, BToto, Cosway Corp, DunBush and Hyundai-Berjaya are set out below:-*



	% of Interest	
	Direct	Indirect
BLand	Nil	61.82(a)
Cosway Corp	Nil	71.45(b)
DunBush	Nil	71.72(c)
BCapital	31.29	30.68(d)
BToto	Nil	35.45 (e)
Hyundai-Berjaya	Nil	40.30(f)

**Notes:**

- (a) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd ("TMSB"), Juara Sejati Sdn Bhd ("JSSB"), Bizurai Bijak (M) Sdn Bhd ("BBSB"), Espeetex Sdn Bhd ("ESB") and BGroup's interests in the related companies, Berjaya General Insurance Berhad ("BGI"), Prime Credit Leasing Sdn Bhd ("PCL"), Inter-Pacific Securities Sdn Bhd ("IPS"), Eng Securities Sdn Bhd ("Eng Securities"), Inter-Pacific Capital Sdn Bhd ("IPC") and Dunham-Bush Sales & Services Sdn Bhd ("DBSSSB").
- (b) Deemed interested by virtue of its 100% interests in Garima Holdings Sdn Bhd ("GHSB"), JSSB and BBSB and its interest in the related companies, BGI, PCL, IPS and ICB.
- (c) Deemed interested by virtue of its 100% interest in JSSB and GHSB and deemed interests in BCapital.
- (d) Deemed interested by virtue of its 100% interest in JSSB, BBSB and GHSB.
- (e) Deemed interested by virtue of its 100% interests in TMSB, JSSB, GHSB, ESB, Berjaya Group Equity (Cayman) Limited and its interests in the related companies, PCL, BGI, IPS and Eng Securities.
- (f) Deemed interested by virtue of its 100% interests in BBSB, JSSB, Espeetex Sdn Bhd and BCapital.

- (4) CKS is a common Director of DTSB, BGroup, BToto and is the Director/Chief Executive Officer of BCapital. He is an alternate Director to TSVT in DiGi. His direct and indirect interests in the aforesaid companies other than DiGi are set out below:-

	% of Interest	
	Direct	Indirect
BCapital	0.002	Nil
BGroup	Nil	Nil
BToto	0.0003	Nil
DTSB	Nil	Nil

- (5) TSAR is a common Director of DTSB and BGroup. He is also the Chairman of Hyundai-Berjaya. His direct and indirect interest in the aforesaid companies other than DiGi are set out below:

	% of Interest	
	Direct	Indirect
BGroup	*	Nil
DTSB	Nil	Nil
Hyundai-Berjaya	Nil	Nil

\* negligible

- (6) TSVT, Rayvin Tan Yeong Sheik ("RTYS"), Dato' Robin Tan Yeong Ching ("DRTYC") and Nerine Tan Sheik Ping ("NTSP") are Directors and shareholders of BTimes Square. TSVT, a Major Shareholder of BTimes Square has direct interest of 88% in BTimes Square. Dijaya Corporation Berhad is a Major Shareholder of BTimes Square by virtue of its 100%

*interest in Bakat Rampai Sdn Bhd which in turn holds 11.25% interest in BTimes Square. Tan Sri Dato' Danny Tan Chee Sing ("TSDT") is the Chairman/Chief Executive Officer and Major Shareholder of Dijaya Corporation Berhad by virtue of his direct and indirect interests of 28.96% and 27.21% in Dijaya Corporation Berhad respectively. TSVT is a brother of TSDT and father of RTYS, DRTYC and NTSP Hence, TSDT, RTYS, DRTYC and NTSP are Persons Connected with TSVT.*

- (7) *Hyumal Motor Sdn Bhd is a 20% owned company of BGroup. TSVT is a Major Shareholder by virtue of his direct and indirect interests (through his interest in BGroup) of 10% and 20% in Hyumal Motor Sdn Bhd respectively. He is also a Director of Hyumal Motor Sdn Bhd.*
- (8) *Roda Indah Motors Sdn Bhd is a wholly owned subsidiary of United Prime Corporation Berhad (UPCB). TSVT is a Major Shareholder of UPCB by virtue of his 82.71% interest in B & B which in turn holds 60.73% equity interest in UPCB. TSDT, a brother of TSVT, is also a Major Shareholder of UPCB by virtue of his 36.2% interest in UPCB.*
- (9) *Quasar Carriage Sdn Bhd is a 15% owned company of BGroup. TSVT is a Major Shareholder of Quasar Carriage Sdn Bhd by virtue of his direct and indirect interest through BGroup.*
- (10) *Cosway Corp, through its wholly owned subsidiary Noble Creation Sdn Bhd has a 25% equity interest in Unza Holdings Pte Ltd (formerly known as Kat Kiera Pte Ltd), which in turn has a 100% equity interest in Unza (M) Sdn Bhd, through its wholly owned subsidiary Unza Nusantara Sdn Bhd (formerly known as Annexe Profile Sdn Bhd).*

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

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

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The Related Parties and interested Directors will be notified of the method and/or procedures of the DiGi Group;
- (iii) Records of Recurrent Related Party Transactions will be retained and compiled by the Head of Finance for submission to the auditors and Audit Committee for review;
- (iv) Auditors shall review Recurrent Related Party Transactions as part of their audit programme and report findings to the Audit Committee;
- (v) The Audit Committee is to provide a statement that it has reviewed the terms of the Recurrent Related Party Transactions to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and is in the best interest of the DiGi Group;

- (vi) Directors who have any interests in any Recurrent Related Party Transactions shall abstain from Board deliberations and voting and will ensure that they and any Persons Connected with them will also abstain from voting on the resolution at the AGM to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report of the breakdown of the aggregate value of Recurrent Related Party Transactions during the financial year, amongst others, based on the following information:-
  - (a) the type of the Recurrent Related Party Transactions made; and
  - (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the listed issuer.

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

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

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

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

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

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

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

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

#### 6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

6.1 The direct and indirect interests of the interested Major Shareholders and the interested Directors of DiGi and Persons Connected with them as at 17 March 2004 are summarised below:

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
<b>Interested Major Shareholders</b>				
Telenor	-	-	457,499,630 (a)	61.00
TSVT	53,804,237	7.17	82,582,587 (b)	11.01
<b>Interested Directors</b>				
TSVT	53,804,237	7.17	82,582,587 (b)	11.01
CKS	-	-	-	-
TSAR	-	-	-	-
<b>Persons Connected</b>				
TSDT	-	-	-	-
RTYS	-	-	-	-
DRTYC	-	-	-	-
NTSP	-	-	-	-
HQZ	-	-	-	-
B&B	-	-	-	-
LBSB	-	-	-	-
Nautilus	-	-	-	-

- (a) Deemed interested by virtue of its 100% interest in Telenor Asia Pte Ltd
- (b) Deemed interested by virtue of TSVT's interest in Berjaya VTCY Sdn Bhd and deemed interest in Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd, Berjaya General Insurance Berhad, Prime Credit Leasing Sdn Bhd, Indah Corporation Berhad and Immediate Capital Sdn Bhd.

- 6.2** Based on details in Section 2.3, TSVT and CKS being interested Directors, have abstained and will continue to abstain from all Board deliberations and voting in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions at DiGi level.

TSAR who is a Director of DTSB, have abstained and will continue to abstain from Board deliberations and voting in the Board meetings of DTSB pertaining to the Proposed Shareholders' Mandate.

- 6.3** Telenor and TSVT being interested Major Shareholders, will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.
- 6.4** Telenor, TSVT, CKS and TSAR have undertaken to ensure that Persons Connected with them will abstain from voting on the ordinary resolution approving the Proposed Shareholders' Mandate at the forthcoming AGM.
- 6.5** Save as disclosed, none of the other Directors and Major Shareholders of DiGi and/or Persons Connected with them, has any interest, direct or indirect in the Proposed Shareholders' Mandate.

## **7.0 DIRECTORS' RECOMMENDATION**

The Board of Directors (except for TSVT, CKS and TSAR) having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that it is in the best interest of the DiGi Group and accordingly the Board with the exception of TSVT, CKS and TSAR who have abstained from making any recommendation on the Proposed Shareholders' Mandate, recommends that you vote in favour of the ordinary resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8.0 AGM**

- 8.1** An AGM, the notice of which is set out in the 2003 Annual Report of DiGi, will be held at Bronx V West Tower, Level 13A Berjaya Times Square Hotel & Convention Center, 1 Jalan Imbi, 55100 Kuala Lumpur on 28 April 2004 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate.
- 8.2** If you are unable to attend and vote in person at the AGM, please complete the Form of Proxy enclosed in the 2003 Annual Report of DiGi and forward it to the Company's Registered Office at 11<sup>th</sup> Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur, so as to arrive not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently find that you are able to do so.

## **9.0 FURTHER INFORMATION**

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

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

**Dato' Ab. Halim Bin Mohyiddin**  
Independent Director

**FURTHER INFORMATION**

**1. RESPONSIBILITY STATEMENT**

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

**2. MATERIAL LITIGATIONS**

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

**3. MATERIAL CONTRACTS**

Neither DiGi nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Company or any of its subsidiaries) during the two (2) years immediately preceding the date of this Circular.

**4. DOCUMENTS FOR INSPECTION**

The following documents will be available for inspection at the Registered Office of DiGi at 11<sup>th</sup> Floor, Menara Berjaya, KL Plaza, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur, during the normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the time set for convening the AGM:-

- (a) Memorandum and Articles of Association of DiGi;
- (b) Audited consolidated accounts of DiGi for the past 2 financial years ended 31 December 2002 and for the year ended 31 December 2003

**EXTRACT OF THE NOTICE OF THE 7TH ANNUAL GENERAL MEETING**

**ORDINARY RESOLUTION**

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

“That, subject to the provisions of the Listing Requirements of Malaysia Securities Exchange Berhad, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 6 April 2004 which are necessary for the day to day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until: –

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority conferred by this resolution is renewed;
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is earlier;

and that in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual reports, the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial year, amongst others, based on:-

- i) the type of the recurrent related party transactions made; and
- ii) the name of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company

and further that authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution.”