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DIGI.COM BERHAD
(Company No. 425190-X)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE TO BE ENTERED WITH
TELENOR ASA ("TELENOR") AND PERSONS CONNECTED WITH TELENOR**

AND

EXTRACT OF THE NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice of the 18th Annual General Meeting which will be held at Pyramid 1, Level CP3, Sunway Pyramid Convention Centre, Persiaran Lagoon, Bandar Sunway, 47500 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 7 May 2015 at 10.00 a.m., together with the Form of Proxy are enclosed together in the 2014 Annual Report. The Form of Proxy must be lodged at the Share Registrar's Office of the Company at least forty-eight (48) hours before the time appointed for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you subsequently wish to do so. The last day and time for you to lodge the Form of Proxy is on Tuesday, 5 May 2015 at 10.00 a.m.

This Circular is dated 13 April 2015

DEFINITIONS

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

Act	ó	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
AGM	ó	Annual General Meeting
Board or Board of Directors	ó	The Board of Directors of Digi
Bursa Securities	ó	Bursa Malaysia Securities Berhad (635998-W)
Digi or Company	ó	Digi.Com Berhad (425190-X)
Digi Group	ó	Digi and its subsidiary companies
Directors	ó	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of Digi (or any other company which is its subsidiary or holding company) or a Chief Executive Officer of Digi, its subsidiaries or holding company
DTSB	ó	Digi Telecommunications Sdn Bhd (201283-W)
Listing Requirements	ó	Main Market Listing Requirements of the Bursa Securities including any amendments to the Listing Requirements that may be made from time to time
Major Shareholder	ó	<p>A person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all voting shares in the Company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Corporation.</p> <p>For the purpose of this definition, "interest in shares" has the meaning given in Section 6A of the Act. A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company</p>

DEFINITIONS (cont'd)

Person(s) Connected	ó	In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:- <ol style="list-style-type: none">A member of the Director's or Major Shareholder's family, which family shall have the meaning given in Section 122A of the Act;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;A partner of the Director, Major Shareholder or a partner of a Person Connected with that Director or Major Shareholder;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;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;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;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;A body corporate in which the Director, Major 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; orA body corporate which is a related corporation.
Proposed Shareholders' Mandate	ó	Proposed renewal of existing shareholders' mandate for Digi Group to enter into Recurrent Related Party Transactions
Recurrent Related Party Transactions or RRPT	ó	Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for Digi Group's day-to-day operations and are in the ordinary course of business of Digi Group
Related Parties	-	Directors, Major Shareholders and/or Persons Connected with such Director or Major Shareholder who are interested in the RRPT as set out in Section 6.0 of this Circular
RM and sen	ó	Ringgit Malaysia and sen respectively
Telenor	ó	Telenor ASA, a company incorporated in Norway
Telenor Group	ó	Telenor and its subsidiary and related companies (including the associated companies)

TABLE OF CONTENTS

CIRCULAR TO SHAREHOLDERS OF DIGI.COM BERHAD

1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERSøMANDATE	2
3. RATIONALE FOR, AND BENEFIT TO DIGI GROUP FROM TRANSACTING WITH ALL CLASSES OF RELATED PARTIES	9
4. CONDITIONS OF THE PROPOSED SHAREHOLDERSøMANDATE	9
5. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERSøMANDATE	9
6. DIRECTORSøAND MAJOR SHAREHOLDERSøINTERESTS	9
7. DIRECTORSøRECOMMENDATION	10
8. ANNUAL GENERAL MEETING	10
9. FURTHER INFORMATION	11

APPENDICES

APPENDIX I	FURTHER INFORMATION	12
APPENDIX II	EXTRACT OF THE NOTICE OF THE 18 TH ANNUAL GENERAL MEETING	13



DIGI.COM BERHAD
(Company No: 425190-X)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

13 April 2015

Directors

Mr Sigve Brekke (*Chairman/Non-Independent Non-Executive Director*)
YBhg Datuk Seri Saw Choo Boon (*Independent Non-Executive Director*)
YBhg Datoø Ab. Halim Bin Mohyiddin (*Independent Non-Executive Director*)
Puan Yasmin Binti Aladad Khan (*Independent Non-Executive Director*)
Mr Hakon Bruaset Kjøl (*Non-Independent Non-Executive Director*)
Mr Tore Johnsen (*Non-Independent Non-Executive Director and also Alternate Director to Sigve Brekke*)
Mr Morten Karlsen Sørby (*Non-Independent Non-Executive Director*)

To: **The Shareholders of Digi.Com Berhad**

Dear Sir/Madam,

DIGI.COM BERHAD

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE TO BE ENTERED WITH TELENOR ASA ("TELENOR") AND PERSONS CONNECTED WITH TELENOR

1. INTRODUCTION

- 1.1 The Company had on 14 May 2014 obtained a shareholdersø mandate under Paragraph 10.09 of the Listing Requirements from its shareholders for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions which are necessary for Digi Groupø day-to-day operations and are in ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The approval shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM of the Company scheduled on 7 May 2015 unless approval for its renewal is obtained from the shareholders of the Company at the AGM.
- 1.2 The Board of Directors of Digi had on 11 March 2015 announced that the Company proposed to seek its shareholdersø approval for a renewal of the existing shareholdersø mandate for Recurrent Related Party Transactions in accordance with Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements.
- 1.3 The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholdersø Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM, the Notice of AGM is set out in the Annual Report 2014.

2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

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

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where in relation to a listed issuer with an issued and paid-up share capital of RM60 million and above;
 - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,
whichever is the higher;
- (iii) the issuance of circular to shareholders for the shareholders' mandate shall include information set out in Annexure PN12-A of the Listing Requirements;
- (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; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of recurrent related party transactions entered by the listed issuer, exceeds the estimated value of the recurrent related party transactions disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Background information

The principal activities 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 Parties 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 ShareholdersøMandate, if approved by the Digiø 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:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the ordinary resolution for the Proposed ShareholdersøMandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or
- (b) 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
- (c) revoked or varied by a resolution passed by the shareholders in general meeting;

whichever is the earlier.

Thereafter, approval from the shareholders will be sought for the renewal of the Proposed ShareholdersøMandate for Recurrent Related Party Transactions at each subsequent AGM of the Company if the Board decides that the renewal of the Proposed ShareholdersøMandate is required.

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

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2.3 Class and Nature of the Recurrent Related Party Transactions

The class and nature of the Recurrent Related Party Transactions of 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	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated Value from 7 May 2015 (date of this AGM) to the date of next AGM (RM'000)	Estimated disclosed preceding Circular Shareholders 22 April 2014 (RM'000)	Value in year's to dated	Actual Value transacted from date of last AGM on 14 May 2014 to latest practicable date on 9 March 2015 (RM'000)
Telenor Group of Companies							
Telenor Group	DTSB	Business Service Costs which include consultancy, training, programmes and advisory fees (öBusiness Service Costsö)	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sörby	22,500	28,000		24,756
Telenor Group	DTSB	Personnel services payable, professional fees (öProfessional Serviceö)	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sörby	16,630	22,000		14,767
Telenor Group	DTSB	International Accounting Settlement. This refers to an arrangement for interconnection services on international traffic between foreign carriers i.e. Telenor Group and DTSB	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sörby	104,500	11,250		23,011
Telenor Group	DTSB	International Roaming	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sörby	6,980	6,790		5,844

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	Interested Directors/Major Shareholders and/or Persons Connected to them	Estimated Value from 7 May 2015 (date of this AGM) to the date of next AGM (RM'000)	Estimated Value disclosed preceding Circular Shareholders 22 April 2014 (RM'000)	Value in year's to dated Actual Value transacted from date of last AGM on 14 May 2014 to latest practicable date on 9 March 2015 (RM'000)
Telenor Group	DTSB	Customer Centre offshoring services	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby	2,000	2,300	1,758
Telenor Group	DTSB	IP Transit (Internet Upstream)	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby	300	100	265
Telenor Group	DTSB	Global Connectivity with Telenor Business Units (BUs) in Asia and to data centers for common services	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby	2,000	1,100	752
Telenor Group	DTSB	Services rendered on Enterprise Resource Planning [øERPö] and enterprise applications	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby	9,720	3,000	454
Telenor Group	DTSB	Infrastructure Share Services Center in Asia (included Cloudberry) [øITSSCö]	Telenor, Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby	5,000	10,000	883
Total				169,630 (Projected Value)	84,540 (Estimated Value)	72,490 (Aggregated Actual Value)

Notes:-

- (1) The Projected Value from 7 May 2015 (date of this AGM) to the date of the next AGM are based on historical records and projected business transactions volume of the respective Recurrent Related Party Transaction. The value of these transactions may be subject to change.
- (2) Telenor is a Major Shareholder of Digi by virtue of its 49% equity interest held by its wholly-owned subsidiary, Telenor Asia Pte Ltd in Digi.

2.4 Amount Due and Owing Under Recurrent Related Party Transactions

The breakdown of the principal sum (without interest) for the total outstanding amount due and owing to Digi Group under the Recurrent Related Party Transactions as per Section 2.3 are as below:-

Nature of Transactions	Total sum due from/owing to the Related Parties as at 31 December 2014, pursuant to a Recurrent Related Party Transactions, which exceeded the credit term							
	1 year or less		More than 1 but equal to or less than 3 years		More than 3 but equal to or less than 5 years		More than 5 years	
	Principal Sum (RM'000)	Interest (RM'000)	Principal Sum (RM'000)	Interest	Principal Sum (RM'000)	Interest (RM'000)	Principal Sum (RM'000)	Interest (RM'000)
Business Service Costs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Professional Service	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
International Accounting Settlement	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
International Roaming	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Customer Centre offshoring services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Services rendered on application operations and basic operation for Asian Data Center/Way of Works	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IP Transit (Internet Upstream)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Global Connectivity with Telenor BUs in Asia and to data centers for common services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ITSSC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:-

There were no late payments from the Related Parties to Digi Group during the applicable period.

The Management will meet and discuss (if and when applicable) with the debtors for early-settlement of the outstanding amounts, should any indications of slower-payment become evident. The Board is of the opinion that there are no collectivity issues as the debtors represent Related Parties within the Telenor Group who has continuously proven to be credit-worthy debtors with no history of default.

2.5 Method or Procedures on Which Transaction Prices are Determined/Review Procedures for Recurrent 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) In relation to the Business Service provided by the Related Parties, under normal circumstances there isn't any same or substantially similar type of services available from any unrelated third parties. In determining the arm's length basis of this transaction, Digi Group has taken into consideration of several factors; amongst others, the necessary expertise especially in the telecommunications arena and resources which are needed for the successful operations of Digi Group and benefits derived from the sharing of specific knowledge and skills within the Telenor Group that is not possible to obtain externally. A cost plus model is used to determine the transaction price/Business Service costs. The appropriate mark up is determined based on an arm's length relationship and price to ensure that the Recurrent Related Party Transactions is not detrimental to Digi Group;
- (iii) In relation to the Professional Service for the provision of management services/secondment of staff from Telenor Group for key positions, the factors taken into consideration amongst others are the necessary skills and knowledge and the level of expertise and key position which are needed by Digi Group and the demand and supply of the professionals from both internal (Telenor Group) and external resources, inclusive of a comparative pricing. The Professional Service fee is based on the prevailing market rates and on an arm's length relationship to ensure that the Recurrent Related Party Transactions are not detrimental to Digi Group;
- (iv) In relation to the International Accounting Settlement and International Roaming, transactions with Related Parties, wherever practical/possible, at least two (2) other contemporaneous transactions with unrelated third parties for similar services will be used as comparison, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of services;
- (v) In relation to the Customer Centre offshoring services, ERP and enterprise applications, IP Transit, Global Connectivity and ITSSC, the methods and procedures to determine the arm's length basis of this transaction, Digi Group has taken into consideration the pricing, terms and conditions, level of service or expertise required, quality and reliability as compared with the prevailing market rates and prices by the services providers of similar capability generally available in the open market of unrelated third parties;
- (vi) At least two (2) other contemporaneous transactions with unrelated third parties for similar services will be used as comparison, wherever practical/possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of services. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price and terms will be determined based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the Recurrent Related Party Transactions are not detrimental to Digi Group;

- (vii) All Recurrent Related Party Transactions are reviewed by senior management and/or the CEO and are subject to approval from appropriate level of authority as defined in Digi's Delegation Authority Matrix approved by the Board;
- (viii) The Related Parties and interested Directors will be notified of the method and/or procedures of Digi Group;
- (ix) Records of Recurrent Related Party Transactions will be retained and compiled by the Head of Accounting and Financial Reporting for submission to the auditors and Audit & Risk Committee for review;
- (x) Auditors shall review Recurrent Related Party Transactions as part of their audit programme and report findings to be tabled to the Audit & Risk Committee;
- (xi) The Audit & Risk 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 Digi Group;
- (xii) Directors who have any interest 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;
- (xiii) 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; and
- (xiv) There is no deviation where the aggregated actual value transacted of the Recurrent Related Party Transactions exceeds the aggregated estimated value by 10% or more pursuant to Paragraph 10.12 of the Listing Requirements.

2.6 Statement by the Audit & Risk Committee

The Audit & Risk Committee of Digi has seen and reviewed the procedures mentioned in 2.5 above and is of the opinion that the abovementioned procedures, as well as the periodic reviews to be made by the Audit & Risk 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.

The Audit & Risk Committee is also of the view that Digi Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner and such procedures and processes are reviewed by the Audit & Risk Committee and/or the management staff as and when necessary.

3.0 RATIONALE FOR, AND BENEFIT OF THE DIGI GROUP FROM TRANSACTING WITH ALL CLASSES OF RELATED PARTIES

3.1 The Recurrent Related Party Transactions to be entered into by Digi Group are all in the ordinary course of business and intended to meet the business needs of Digi Group at the best possible terms for the benefit of Digi Group as a whole. As such, it is anticipated that the Recurrent Related Party Transactions would occur on a frequent and recurrent basis.

3.2 The Proposed Shareholders' Mandate will eliminate the need to make announcements to the Bursa Securities and/or to convene separate general meetings from time to time to seek shareholders' prior approvals for the entry by Digi Group into such Recurrent Related Party Transactions. This will also reduce substantial administrative time and expenses in convening such general meetings without compromising the corporate objectives of Digi Group or affecting the business opportunities available to Digi Group.

3.3 The Recurrent Related Party Transactions provide Digi Group the support for its operational and business needs and further enhance its ability to explore beneficial business opportunities.

4.0 CONDITIONS OF 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, major shareholders' shareholdings, earnings and net assets of Digi Group.

6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

6.1 The direct and indirect interest of the interested Major Shareholder and the interested Directors of Digi and Persons Connected with them as at 9 March 2015 are summarised below:

Name	Shareholding			
	← Direct →		← Indirect →	
	Shares	%	Shares	%
Interested Major Shareholder Telenor	-	-	3,809,750,300 (Note a)	49.00
Directors:-				
Sigve Brekke	-	-	-	-
Hakon Bruaset Kjol	-	-	-	-
Tore Johnsen	-	-	-	-
Morten Karlsen Sørby	-	-	-	-

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

- 6.2 Telenor being a Major Shareholder, will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution approving the Proposed Shareholdersø Mandate at the forthcoming AGM.
- 6.3 Telenor has undertaken that it will ensure that Persons Connected with them will abstain from voting on the ordinary resolution approving the Proposed Shareholdersø Mandate at the forthcoming AGM.
- 6.4 Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby are deemed interested in the Proposed Shareholdersø Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor as these Directors are acting as nominees/representatives of Telenor which is the Major Shareholder of Digi. These Directors have abstained and will continue to abstain from all deliberations and voting on the Proposed Shareholdersø Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor at all Board meetings.
- 6.5 These Directors have undertaken that they will ensure that Persons Connected with them will abstain from voting on the ordinary resolution approving the Proposed Shareholdersø Mandate at the forthcoming AGM.
- 6.6 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 Shareholdersø Mandate.

7.0 DIRECTORS' RECOMMENDATION

The Board of Directors (with the exception of Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby) having considered all aspects of the Proposed Shareholdersø Mandate, is of the opinion that it is in the best interest of the Digi Group and accordingly the Board (with the exception of Sigve Brekke, Hakon Bruaset Kjol, Tore Johnsen and Morten Karlsen Sørby who have abstained from making a recommendation and giving an opinion on the Proposed Shareholdersø Mandate in respect of Recurrent Related Party Transactions to be entered with Telenor and Persons Connected with Telenor) recommends that you vote in favour of the ordinary resolution on the Proposed Shareholdersø Mandate to be tabled at the forthcoming AGM.

8.0 AGM

- 8.1 An AGM, the notice of which is set out in the 2014 Annual Report of Digi and an extract of which is enclosed in this Circular, will be held at Pyramid 1, Level CP3, Sunway Pyramid Convention Centre, Persiaran Lagoon, Bandar Sunway, 47500 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 7 May 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholdersø Mandate.
- 8.2 If you are unable to attend and vote at the AGM, please complete the Form of Proxy enclosed in the 2014 Annual Report of Digi and forward it to the Company's Share Registrar Office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, so as to arrive at least forty-eight (48) hours before the time appointed for holding 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 wish 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
DIGI.COM BERHAD

Datuk Seri Saw Choo Boon
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given herein 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 herein misleading.

2. MATERIAL LITIGATION

Neither Digi nor any of its subsidiaries is engaged in any material claims, litigation and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of Digi Group and the Directors are not aware of any proceedings pending or threatened, against Digi Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of Digi Group immediately preceding the date of this Circular.

3. MATERIAL CONTRACTS

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

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Digi at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia 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 financial statements of Digi for the past two (2) financial years ended 31 December 2013 and 31 December 2014; and
- (c) Unaudited consolidated results for the three (3) months period ended 31 March 2015.

EXTRACT OF THE NOTICE OF THE 18TH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 4

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature to be entered with Telenor ASA ("Telenor") and Persons Connected with Telenor ("Proposed Shareholders' Mandate")

That, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Proposed Shareholders' Mandate for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with Telenor and persons connected with Telenor as specified in Section 2.3 of the Circular to Shareholders dated 13 April 2015 which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

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

whichever is earlier.

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

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