



## **DIGI.COM BERHAD**

Company no. 425190-X  
(Incorporated in Malaysia)

**Date:** 23 January 2017

**Subject: INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<b><u>Table of contents</u></b>	<b><u>Page</u></b>
Condensed Consolidated Statement of Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5 - 6
Notes to the Interim Financial Report	7 - 11
Additional information required by the Bursa Malaysia Securities Listing Requirements ("Bursa Securities LR") (Appendix 9B)	11 -16

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
	31 DEC 2016 RM'000	31 DEC 2015 RM'000	31 DEC 2016 RM'000	31 DEC 2015 RM'000
<b>Revenue</b>	<b>1,669,720</b>	<b>1,724,854</b>	<b>6,597,102</b>	<b>6,913,984</b>
Other income	4,466	2,196	18,556	13,355
Foreign exchange and derivatives (losses)/gains	(2,616)	1,844	(6,008)	(26,120)
Depreciation and amortisation	(177,736)	(168,807)	(651,181)	(627,874)
Other expenses	(931,034)	(1,027,662)	(3,654,743)	(3,918,877)
Finance costs	(22,935)	(15,739)	(78,078)	(56,232)
Interest income	3,741	2,670	12,536	10,509
<b>Profit before tax</b>	<b>543,606</b>	<b>519,356</b>	<b>2,238,184</b>	<b>2,308,745</b>
Taxation	(168,979)	(136,996)	(605,526)	(586,195)
<b>Profit for the period/year, representing total comprehensive income for the period/year, net of tax</b>	<b>374,627</b>	<b>382,360</b>	<b>1,632,658</b>	<b>1,722,550</b>
Attributable to: Owners of the parent	<b>374,627</b>	<b>382,360</b>	<b>1,632,658</b>	<b>1,722,550</b>

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONT'D**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
	31 DEC 2016	31 DEC 2015	31 DEC 2016	31 DEC 2015
Earnings per share attributable to owners of the parent (sen per share):				
- Basic	4.82	4.92	21.00	22.15
- Diluted <sup>1</sup>	NA	NA	NA	NA

Note:<sup>1</sup>NA denotes "Not Applicable"

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report on pages 7 to 11)

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AT 31 DEC 2016 RM'000</b>	<b>AUDITED AT 31 DEC 2015 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,832,265	2,643,214
Intangible assets	453,777	516,684
Other investments	100	-
Prepayments	62,572	82,005
	<u>3,348,714</u>	<u>3,241,903</u>
<b>Current assets</b>		
Inventories	47,822	116,794
Trade and other receivables	1,707,679	921,924
Derivative financial instruments	4,034	-
Tax recoverable	13,121	148,140
Cash and short-term deposits	376,588	233,557
	<u>2,149,244</u>	<u>1,420,415</u>
<b>TOTAL ASSETS</b>	<u><u>5,497,958</u></u>	<u><u>4,662,318</u></u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,798,837	25,376
Deferred tax liabilities	311,285	325,030
Provision for liabilities	40,034	35,283
	<u>2,150,156</u>	<u>385,689</u>
<b>Current liabilities</b>		
Trade and other payables	1,947,851	2,056,176
Derivative financial instruments	-	118
Provision for liabilities	7,547	6,195
Deferred revenue	390,074	426,223
Loans and borrowings	483,036	1,268,531
Tax payable	24	24
	<u>2,828,532</u>	<u>3,757,267</u>
<b>Total liabilities</b>	<u>4,978,688</u>	<u>4,142,956</u>
<b>Equity</b>		
Share capital	77,750	77,750
Reserves	441,520	441,612
<b>Total equity - attributable to owners of the parent</b>	<u>519,270</u>	<u>519,362</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>5,497,958</u></u>	<u><u>4,662,318</u></u>
<b>Net assets per share (RM)</b>	<u>0.07</u>	<u>0.07</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report on pages 7 to 11)

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2016	77,750	691,905	(250,293) <sup>1</sup>	519,362
Total comprehensive income	-	-	1,632,658	1,632,658
Transaction with owners:				
Dividend for the financial year ended 31 December 2015				
- fourth interim dividend	-	-	(380,975)	(380,975)
Dividend for the financial year ended 31 December 2016				
- first interim dividend	-	-	(396,525)	(396,525)
- second interim dividend	-	-	(419,850)	(419,850)
- third interim dividend	-	-	(435,400)	(435,400)
At 31 December 2016	<u>77,750</u>	<u>691,905</u>	<u>(250,385)</u>	<u>519,270</u>
At 1 January 2015	77,750	691,905	(83,518) <sup>1</sup>	686,137
Total comprehensive Income	-	-	1,722,550	1,722,550
Transaction with owners:				
Dividend for the financial year ended 31 December 2014				
- fourth interim dividend	-	-	(559,800)	(559,800)
Dividend for the financial year ended 31 December 2015				
- first interim dividend	-	-	(474,275)	(474,275)
- second interim dividend	-	-	(458,725)	(458,725)
- third interim dividend	-	-	(396,525)	(396,525)
At 31 December 2015	<u>77,750</u>	<u>691,905</u>	<u>(250,293)</u>	<u>519,362</u>

Note:<sup>1</sup>The deficit was a result of the Group's capital management initiatives carried out during the financial year ended 31 December 2012. The Company ("Digi.Com Berhad") received dividends from one of its subsidiaries in the form of bonus issue of redeemable preference shares and capital repayment amounting to RM509.0 million and RM495.0 million respectively. The Company had declared part of these as special dividends to its shareholders. The deficit arose from the elimination of these intra-group dividends at Group level.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 7 to 11)

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	YEAR ENDED 31 DEC 2016 RM'000	YEAR ENDED 31 DEC 2015 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	2,238,184	2,308,745
Adjustments for:		
Non-cash items	701,945	663,423
Finance costs	78,078	56,232
Interest income	(12,536)	(10,509)
Operating cash flow before working capital changes	<u>3,005,671</u>	<u>3,017,891</u>
Changes in working capital:		
Net change in current assets	(847,682)	(361,495)
Net change in current liabilities	(156,148)	233,253
<b>Cash generated from operations</b>	<u>2,001,841</u>	<u>2,889,649</u>
Advance payment for bandwidth	-	(83,125)
Interest paid	(85,602)	(56,392)
Government grant received	100,576	75,859
Payments for provisions	(244)	(177)
Taxes paid	(484,252)	(600,752)
<b>Net cash generated from operating activities</b>	<u>1,532,319</u>	<u>2,225,062</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(775,684)	(896,535)
Purchase of unquoted investment	(100)	-
Interest received	12,438	10,681
Proceeds from disposal of property, plant and equipment	1,886	315
Proceeds from disposal of other investment	28	-
<b>Net cash used in investing activities</b>	<u>(761,432)</u>	<u>(885,539)</u>
<b>Cash flows from financing activities</b>		
Drawdowns of loans and borrowings	2,025,000	1,000,000
Repayments of loans and borrowings	(1,018,808)	(753,739)
Dividends paid	(1,632,750)	(1,889,325)
<b>Net cash used in financing activities</b>	<u>(626,558)</u>	<u>(1,643,064)</u>

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - CONT'D**

	YEAR ENDED 31 DEC 2016 RM'000	YEAR ENDED 31 DEC 2015 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	144,329	(303,541)
Effect of exchange rate changes on cash and cash equivalents	(1,298)	10,820
<b>Cash and cash equivalents at beginning of year</b>	233,557	526,278
<b>Cash and cash equivalents at end of year</b>	<u>376,588</u>	<u>233,557</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Interim Financial Report on pages 7 to 11)

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of Preparation**

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2015 except for the newly-issued Malaysian Financial Reporting Standards ("MFRS") and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2016:

Annual Improvements to MFRSs 2012–2014 Cycle

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Amendments to MFRS 101: Disclosure Initiatives

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

MFRS 14: Regulatory Deferral Accounts

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

**A2. Seasonality or Cyclicity of Interim Operations**

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial year ended 31 December 2016, other than the:

- (i) drawdowns and repayments of floating-rate term loans ("FRTL") and revolving credit ("RC") facilities as disclosed in Note A5; and
- (ii) payment for the one-time fee component amounting RM598.5 million made to Malaysian Communications and Multimedia Commission ("MCMC") on 1 November 2016, the date of acceptance of Spectrum Assignment allocated to the Group.

**A4. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial year ended 31 December 2016.



**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D**

**A5. Debts and Equity Securities**

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial year ended 31 December 2016, other than:

The drawdowns of:

- (i) FRTL amounting to RM450.0 million in March 2016;
- (ii) FRTL amounting to RM200.0 million in June 2016;
- (iii) FRTL amounting to RM100.0 million in July 2016;
- (iv) FRTL amounting to RM450.0 million in September 2016;
- (v) FRTL amounting to RM600.0 million in October 2016; and
- (vi) RC facility amounting to RM225.0 million in December 2016.

and, the repayments of:

- (i) FRTL amounting to RM98.0 million in March 2016 and final settlement of RM112.0 million in September 2016;
- (ii) RC facility amounting to RM100.0 million in April 2016, RM100.0 million in May 2016 and RM200.0 million in June 2016; and
- (iii) RC facility amounting to RM100.0 million in July 2016, RM100.0 million in August 2016 and RM200.0 million in September 2016.

**A6. Dividend Paid**

For the financial year ended 31 December 2016:

- (i) The fourth interim tax exempt (single-tier) dividend of 4.9 sen per ordinary share amounting to RM381.0 million in respect of the financial year ended 31 December 2015 was paid on 25 March 2016;
- (ii) The first interim tax exempt (single-tier) dividend of 5.1 sen per ordinary share amounting to RM396.5 million in respect of the financial year ended 31 December 2016 was paid on 24 June 2016;
- (iii) The second interim tax exempt (single-tier) dividend of 5.4 sen per ordinary share amounting to RM419.9 million in respect of the financial year ended 31 December 2016 was paid on 30 September 2016; and
- (iv) The third interim tax exempt (single-tier) dividend of 5.6 sen per ordinary share amounting to RM435.4 million in respect of the financial year ended 31 December 2016 was paid on 30 December 2016.

**A7. Segment Information**

Segmental information is not presented as the Group is primarily engaged in the provision of mobile communication services and its related products in Malaysia.

**A8. Material Events Subsequent to the End of the Financial Year**

There are no material events subsequent to the current quarter and financial year ended 31 December 2016 up to the date of this report.

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D**

**A9. Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year ended 31 December 2016 including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

**A10. Changes in Contingent Liabilities**

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2015.

**A11. Capital Commitments**

Capital commitments of the Group in respect of property, plant and equipment and intangible assets not provided for as of 31 December 2016 are as follows:

	<b>RM'000</b>
Approved and contracted for	1,077,000
Approved but not contracted for	1,043,000

**A12. Related Party Transactions**

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions and balances with related parties of the Group during the current financial year:

	<b>Transactions for the year ended 31 DEC 2016 RM'000</b>	<b>Balance due from/(to) at 31 DEC 2016 RM'000</b>
With the ultimate holding company and fellow subsidiaries		
- Telenor ASA		(49,483)
Consultancy services rendered	25,797	
Licenses and trademarks	10,500	
- Telenor Consult AS		33
Personnel services rendered	(199)	
- Telenor GO Pte Ltd		841
Personnel services rendered	13,234	
- Total Access Communication Public Company Limited		415
Sales of international roaming services	28	
Purchases of international roaming services	(25)	

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D**

**A12. Related Party Transactions – cont'd**

	<b>Transactions for the year ended 31 DEC 2016 RM'000</b>	<b>Balance due from/(to) at 31 DEC 2016 RM'000</b>
With the ultimate holding company and fellow subsidiaries – cont'd		
- Telenor Global Services AS		(5,040)
Sales of interconnection services on international traffic	2,882	
Purchases of interconnection services on international traffic	23,743	
Purchases of international roaming services	2,135	
Purchases of IP transit	760	
Purchases of global connectivity	1,343	
- dtac TriNet Co. Ltd		1,622
Sales of interconnection services on international traffic	232	
Purchases of interconnection services on international traffic	5,616	
Sales of international roaming services	421	
Purchases of international roaming services	387	
Bandwidth leasing income	5,138	
- Telenor IT Asia Sdn Bhd		(10,239)
Rental income and services rendered for Asian Infrastructure Shared Services Centre	893	
Services rendered on Asian Infrastructure Shared Services Centre	7,291	
- Telenor Digital Services AS		(705)
Consultancy fees	910	
- Telenor Global Shared Services AS		(7,421)
Services rendered on Enterprise Resource Planning (“ERP”) and Enterprise applications	9,518	
Purchases of customer centre off- shoring services	2,378	

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

**NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D**

**A12. Related Party Transactions – cont'd**

	<b>Transactions for the year ended 31 DEC 2016 RM'000</b>	<b>Balance due from/(to) at 31 DEC 2016 RM'000</b>
With the ultimate holding company and fellow subsidiaries – cont'd		
- Telenor Myanmar Ltd		(755)
Purchases of interconnection services on international traffic	746	
Sales of international roaming services	73	
Purchases of international roaming services	57	
- Prabhu Money Transfer Sdn Bhd		10
Sales of telecommunication and related services	1,683	

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

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

**B1. Review of the Performance of the Company and its Principal Subsidiaries**

We have provided a full analysis of the Group's performance in the "Management Discussion & Analysis" enclosed.

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

Despite facing with weaker prepaid development in the final quarter ("4Q 2016"), the Group registered 0.1% net increase in service revenue of RM 1,555 million (3Q 2016: RM 1,554 million) on the back of solid postpaid growth momentum and stronger internet adoption.

EBITDA and PBT moderated to RM741 million (3Q 2016: RM 775 million) and RM544 million (3Q 2016: RM 585 million) respectively, after accounting for associated cost for the higher device sales, increased marketing cost in supporting the subscriber acquisitions and progressive network expansions cost. Nevertheless, EBITDA margin remained robust at 44% following strong operational efficiency discipline and well-managed cost structure.

**B3. Prospects For The Next Financial Year Ending 31 December 2017**

We have provided a full analysis of the Group's prospects up to 31 December 2017 in the "Management Discussion & Analysis" enclosed.

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

Not applicable.

**B5. Taxation**

The Group's taxation charge for the current quarter and financial year ended 31 December 2016 was made up as follows:

	Individual quarter	Cumulative quarter
	Quarter ended 31 DEC 2016 RM'000	Year ended 31 DEC 2016 RM'000
Income tax:		
- Current tax expense	(104,013)	(562,812)
- Under-provision in prior years	(28,887)	(56,459)
Deferred tax		
- Net originating and reversal of timing differences	(31,632)	8,397
- Recognition and reversal of prior year's timing differences	(4,447)	5,348
<b>Total</b>	<b>(168,979)</b>	<b>(605,526)</b>

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

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

**B5. Taxation – cont'd**

The Group registered higher effective tax rate than the statutory tax rate of 24.0% for the current quarter and financial year ended 31 December 2016 at 31.1% and 27.1%, respectively after accounting for an estimated tax adjustment from the review of tax incentive claimable in prior years amounting to RM34.9 million and certain expenses not deductible for tax purposes.

**B6. Status of Corporate Proposals**

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

**B7. Group Borrowings**

	Note	As at 31 DEC 2016 RM'000
<b>Non-current</b>		
FRTL	(a)	1,783,728
Finance lease obligation		15,109
		1,798,837
<b>Current</b>		
RC		473,046
Finance lease obligation		9,990
		483,036
<b>Total loans and borrowings</b>		2,281,873

The above unsecured loans and borrowings are denominated in Ringgit Malaysia.

(a) Repayments of non-current FRTL will commence 42 months from first drawdown as disclosed below:

No.	Outstanding amount as at 31 DEC 2016 RM'000	Month of first drawdown (Note A5)	Month of first repayment
i	1,000,000	March 2016	September 2019
ii	400,000	June 2016	December 2019
iii	400,000	October 2016	April 2020

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

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

**B8. Financial Instruments**

As at 31 December 2016, the Group's outstanding foreign currency forward contracts for the purpose of hedging certain foreign currency-denominated payables, are as detailed below:

Type of derivative	Contract value in foreign currency (USD'000)	Notional value (RM'000)	Fair value (RM'000)	Asset (RM'000)
Foreign currency forward contracts - Less than one year	24,400	105,643	109,677	4,034

**Accounting Policy**

The above foreign currency forward contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities; in accordance with the Group's foreign currency hedging policy. In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed 100% of the net exposure value. Firm commitments are netted-off against receivables denominated in the same currency, and only the net exposures are hedged so as to maximise the Group's natural hedge position.

Speculative activities are strictly prohibited. We adopt a layered approach to hedging, where a higher percentage of hedging will be executed for closer-dated exposures and with time, increase the hedge as the probability of the underlying exposure increases. The derivatives and their underlying exposures will be monitored on an on-going basis.

The cash requirement for settling of foreign currency forward contracts is solely from the Group's working capital, in view of its relative immateriality.

Derivative financial instruments comprise forward contracts in the foreign exchange market. Derivatives are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rates. Derivatives with positive market values (unrealised gains) are included under current assets and derivatives with negative market values (unrealised losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from derivatives held for trading purposes, or changes in fair value on derivatives during the financial year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are recognised in profit and loss.

**Credit Risk Management Policy**

Foreign currency forward contracts are executed only with credit-worthy financial institutions in Malaysia which are governed by appropriate policies and procedures.

**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

---

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

**B9. Material Litigation**

There are no pending material litigations as at the date of this report.

**B10. Dividends**

The Board of Directors has declared a fourth interim tax exempt (single-tier) dividend of 4.8 sen per ordinary share (4Q 2015: 4.9 sen per ordinary share) in respect of the financial year ended 31 December 2016, which will be paid on 31 March 2017. The entitlement date is on 3 March 2017.

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

- (i) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 3 March 2017 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

Year-to-date ("YTD") dividend for the financial year ended 31 December 2016 is 20.9 sen per ordinary share (YTD 2015: 22.0 sen).

**B11. Earnings Per Share**

*Basic Earnings Per Share*

The basic earnings per share for the current quarter and financial year ended 31 December 2016 have been calculated as per the summary below:

	Individual Quarter		Cumulative Quarter	
	Quarter ended 31 DEC 2016 RM'000	Quarter ended 31 DEC 2015 RM'000	Year ended 31 DEC 2016 RM'000	Year ended 31 DEC 2015 RM'000
<b>Earnings</b>				
Profit for the period/year, Amount attributable to owners of the parent	374,627	382,360	1,632,658	1,722,550
Weighted average number of ordinary shares ('000)	7,775,000	7,775,000	7,775,000	7,775,000
Basic earnings per share (sen)	4.82	4.92	21.00	22.15

Diluted Earnings Per Share - Not applicable



**DIGI.COM BERHAD**  
**Company no. 425190-X**  
**(Incorporated in Malaysia)**

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

**B12. Auditors' Report on Preceding Annual Financial Statements**

The latest audited financial statements for the financial year ended 31 December 2015 were not subject to any qualification.

**B13. Disclosure of Realised and Unrealised Profits/(Losses)**

	As at 31 DEC 2016 RM'000	As at 31 DEC 2015 RM'000
Total (accumulated losses)/retained earnings of Digi.Com Berhad and its subsidiaries:		
- Realised	(264,246)	(191,937)
- Unrealised	13,861	(58,356)
Total	(250,385)	(250,293)

**B14. Additional Disclosures**

	Individual Quarter		Cumulative Quarter	
	Quarter ended 31 DEC 2016 RM'000	Quarter ended 31 DEC 2015 RM'000	Year ended 31 DEC 2016 RM'000	Year ended 31 DEC 2015 RM'000
Impairment losses on trade receivables	(12,029)	(13,802)	(50,704)	(42,407)
Reversal/(allowance) for inventory obsolescence	1,745	(1,078)	1,327	(2,289)
Foreign exchange (loss)/gain	(4,742)	6,442	(9,668)	(25,736)
Gain/(loss) on derivatives	2,126	(4,598)	3,660	(384)

Other than the items highlighted above which have been included in the condensed consolidated statement of comprehensive income, there were no profits/(losses) on any other items and sale of quoted securities, investments and properties included in the results for the current quarter and financial year ended 31 December 2016.

c.c. Securities Commission