

# celcomdigi

## **CELCOMDIGI BERHAD** **(formerly known as Digi.Com Berhad)**

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

**Date:** 18 August 2023

**Subject:** INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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**CELCOMDIGI BERHAD**  
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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 30 JUNE 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30 JUN 2023	30 JUN 2022	30 JUN 2023	30 JUN 2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>3,122,668</b>	<b>1,538,867</b>	<b>6,302,965</b>	<b>3,060,583</b>
Other income	13,150	6,843	34,929	15,142
Net (loss)/gain on foreign exchange and fair value movement of foreign currency forward contracts	(2,860)	(326)	13,103	(1,179)
Depreciation, amortisation and impairment	(896,378)	(309,267)	(1,812,793)	(606,660)
Other expenses <sup>1</sup>	(1,652,773)	(803,992)	(3,359,393)	(1,591,969)
Net gain/(loss) on fixed assets written-off and disposed	15,941	(9,051)	14,951	(23,648)
Gain on termination of leases	1,796	261	1,796	562
Fair value gain on investment in shares	1	-	1	-
Finance costs	(160,142)	(67,506)	(321,868)	(129,054)
Interest income	24,010	6,212	44,546	12,648
Share of profit of an associate	2,866	-	10,342	-
<b>Profit before tax and zakat</b>	<b>468,279</b>	<b>362,041</b>	<b>928,579</b>	<b>736,425</b>
Taxation and zakat	(120,399)	(141,998)	(259,899)	(280,233)
<b>Profit for the period</b>	<b>347,880</b>	<b>220,043</b>	<b>668,680</b>	<b>456,192</b>

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30 JUN 2023	30 JUN 2022	30 JUN 2023	30 JUN 2022
<b>Other comprehensive income, net of tax</b>				
<u>Item that may be reclassified to profit or loss in subsequent periods</u>				
Foreign currency translation differences	6	-	(458)	-
<b>Total comprehensive income for the period, net of tax</b>	<b>347,886</b>	<b>220,043</b>	<b>668,222</b>	<b>456,192</b>
Profit for the period, attributable to:				
- Owners of the Company	343,515	220,043	661,436	456,192
- Non-controlling interests	4,365	-	7,244	-
	<b>347,880</b>	<b>220,043</b>	<b>668,680</b>	<b>456,192</b>
Total comprehensive income for the period, attributable to:				
- Owners of the Company	343,521	220,043	660,978	456,192
- Non-controlling interests	4,365	-	7,244	-
	<b>347,886</b>	<b>220,043</b>	<b>668,222</b>	<b>456,192</b>
Earnings per share attributable to owners of the Company (sen per share):				
- Basic	2.93	2.83	5.64	5.87
- Diluted <sup>2</sup>	NA	NA	NA	NA

Note: <sup>1</sup> Included in other expenses are professional and legal expenses in relation to the acquisition of Celcom Berhad (formerly known as Celcom Axiata Berhad) of nil for Q2 2023 and YTD Q2 2023 (Q2 2022: RM6.4 million; YTD Q2 2022: RM9.6 million).

Note: <sup>2</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 9 to 13)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT 30 JUN 2023 RM'000</b>	<b>AUDITED AS AT 31 DEC 2022 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	5,755,742	6,408,848
Intangible assets	19,008,595	18,694,727
Right-of-use assets	7,089,176	7,253,141
Investment in an associate	150,284	139,943
Other investments	35	78
Trade and other receivables	625,814	642,760
Contract costs	123,449	112,102
Contract assets	94,572	73,470
Derivative financial assets	60,768	43,342
Deferred tax assets	127,937	116,080
	<u>33,036,372</u>	<u>33,484,491</u>
<b>Current assets</b>		
Inventories	189,729	164,358
Trade and other receivables	2,346,979	2,424,002
Contract assets	234,295	148,325
Other investments	23	22
Tax recoverable	69,523	97,241
Derivative financial assets	366	-
Cash and short-term deposits	834,393	1,220,798
	<u>3,675,308</u>	<u>4,054,746</u>
<b>TOTAL ASSETS</b>	<u><u>36,711,680</u></u>	<u><u>37,539,237</u></u>
<b>Non-current liabilities</b>		
Loans and borrowings	11,743,582	10,747,919
Derivative financial liabilities	2,696	2,024
Deferred tax liabilities	1,492,372	1,730,623
Contract liabilities	21,176	15,298
Other liabilities	376,787	371,512
	<u>13,636,613</u>	<u>12,867,376</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONT'D**

	<b>UNAUDITED AS AT 30 JUN 2023 RM'000</b>	<b>AUDITED AS AT 31 DEC 2022 RM'000</b>
<b>Current liabilities</b>		
Trade and other payables	4,095,961	3,521,961
Contract liabilities	587,536	571,314
Derivative financial liabilities	-	640
Loans and borrowings	1,797,629	4,139,288
Tax payable	357,652	124,221
	<u>6,838,778</u>	<u>8,357,424</u>
<b>Total liabilities</b>	<u>20,475,391</u>	<u>21,224,800</u>
<b>Equity</b>		
Share capital	16,595,687	16,595,687
Foreign currency translation reserve	(355)	103
Accumulated losses	(461,746)	(384,097)
Total equity - attributable to owners of the Company	<u>16,133,586</u>	<u>16,211,693</u>
Non-controlling interests ("NCI")	102,703	102,744
<b>Total equity</b>	<u>16,236,289</u>	<u>16,314,437</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>36,711,680</u>	<u>37,539,237</u>
<b>Net assets per share (RM)</b>	<u>1.38</u>	<u>1.39</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 13)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	NCI RM'000	Total RM'000
<b>At 31 December 2022/ 1 January 2023</b>	16,595,687	103	(384,097)	16,211,693	102,744	16,314,437
Profit for the financial period	-	-	661,436	661,436	7,244	668,680
Other comprehensive loss:						
- Currency translation differences of a subsidiary	-	(458)	-	(458)	-	(458)
Transaction with owners:						
- Dividend for the financial year ended 31 December 2022 - fourth interim dividend	-	-	(363,677)	(363,677)	(1,728)	(365,405)
- Dividend for the financial year ending 31 December 2023 - first interim dividend	-	-	(375,408)	(375,408)	(5,557)	(380,965)
<b>At 30 June 2023</b>	<b>16,595,687</b>	<b>(355)</b>	<b>(461,746)</b>	<b>16,133,586</b>	<b>102,703</b>	<b>16,236,289</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - CONT'D**

	Share capital RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	NCI RM'000	Total RM'000
<b>At 31 December 2021/ 1 January 2022</b>	769,655	-	(136,844)	632,811	-	632,811
Total comprehensive income	-	-	456,192	456,192	-	456,192
Transaction with owners:						
- Dividend for the financial year ended 31 December 2021 - fourth interim dividend	-	-	(303,225)	(303,225)	-	(303,225)
- Dividend for the financial year ended 31 December 2022 - first interim dividend	-	-	(225,475)	(225,475)	-	(225,475)
<b>At 30 June 2022</b>	<b>769,655</b>	<b>-</b>	<b>(209,352)</b>	<b>560,303</b>	<b>-</b>	<b>560,303</b>

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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 13)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	PERIOD ENDED 30 JUN 2023 RM'000	PERIOD ENDED 30 JUN 2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	928,579	736,425
Adjustments for:		
Non-cash items	1,280,042	693,307
Finance costs	321,868	129,054
Interest income	(44,546)	(12,648)
Operating cash flow before working capital changes	2,485,943	1,546,138
Changes in working capital:		
Net change in inventories	(21,491)	(14,992)
Net change trade and other receivables	(202,261)	(119,303)
Net change in contract assets	(147,440)	9,221
Net change in contract costs	517,500	(40,947)
Net change in trade and other payables	181,109	(61,268)
Net change in contract liabilities	24,750	(22,375)
<b>Cash generated from operations</b>	2,838,110	1,296,474
Government grant received	329,892	28,328
Defined benefit paid	(49)	(14)
Taxes paid (net of refund)	(248,857)	(126,902)
<b>Net cash flows from operating activities</b>	2,919,096	1,197,886
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(387,325)	(256,148)
Interest received	18,026	2,392
Prepayment for spectrum assignment	-	(11,760)
Placement in deposits maturing more than three (3) months	(67,759)	-
Proceeds from disposal of property, plant and equipment	28,454	1,116
<b>Net cash flows used in investing activities</b>	(408,604)	(264,400)
<b>Cash flows from financing activities</b>		
Drawdowns of loans and borrowings	1,623,432	350,000
Repayments of loans and borrowings	(3,058,130)	(562,500)
Payment of lease liabilities	(493,498)	(182,018)
Interest paid	(290,204)	(77,094)
Dividends paid	(739,085)	(528,700)
Dividends paid to NCI	(7,285)	-
<b>Net cash flows used in financing activities</b>	(2,964,770)	(1,000,312)



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

	PERIOD ENDED 30 JUN 2023 RM'000	PERIOD ENDED 30 JUN 2022 RM'000
<b>Net decrease in cash and cash equivalents</b>	(454,278)	(66,826)
Effect of exchange rate changes on cash and cash equivalents	114	278
Net increase in restricted cash <sup>1</sup>	(256)	-
<b>Cash and cash equivalents at beginning of financial period</b>	1,218,292	204,527
<b>Cash and cash equivalents at end of financial period</b>	<u>763,872</u>	<u>137,979</u>
Deposits, cash and bank balances	834,393	137,979
Less:		
Restricted cash <sup>1</sup>	(2,762)	-
Deposits maturing more than three (3) months	(67,759)	-
<b>Total cash and cash equivalents at end of financial period</b>	<u>763,872</u>	<u>137,979</u>

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

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Interim Financial Report on pages 9 to 13)

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of Preparation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**A4. Material Changes in Estimates**

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

**A5. Debts and Equity Securities**

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

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

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

- drawdown of Banker's Acceptance amounting to RM0.97 million in January 2023
- drawdown of FRRC amounting to RM5.58 million in January 2023
- repayment of FRRC-i amounting to RM450.00 million in January 2023
- repayment of Banker's Acceptance amounting to RM0.50 million in January 2023
- repayment of FRTL amounting to RM0.01 million in January 2023
- repayment of fixed-rate term loan amounting to RM0.02 million in January 2023
- drawdown of Banker's Acceptance amounting to RM0.97 million in February 2023
- drawdown of FRRC amounting to RM5.34 million in February 2023
- repayment of FRTL amounting to RM0.01 million in February 2023
- repayment of fixed-rate term loan amounting to RM0.02 million in February 2023
- repayment of FRRC amounting to RM5.30 million in February 2023
- drawdown of FRRC amounting to RM5.07 million in March 2023
- drawdown of Banker's Acceptance amounting to RM0.96 million in March 2023
- repayment of FRTF-i amounting to RM75.00 million in March 2023
- repayment of FRTL amounting to RM62.50 million in March 2023
- repayment of Banker's Acceptance amounting to RM0.50 million in March 2023
- repayment of FRTL amounting to RM0.01 million in March 2023
- repayment of fixed-rate term loan amounting to RM0.02 million in March 2023
- repayment of FRRC amounting to RM10.69 million in March 2023

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

**A5. Debts and Equity Securities (Cont'd)**

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

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

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

- drawdown of Banker's Acceptance amounting to RM0.97 million in April 2023
- repayment of Banker's Acceptance amounting to RM1.51 million in April 2023
- repayment of FRTL amounting to RM0.01 million in April 2023
- repayment of fixed-rate term loan amounting to RM0.02 million in April 2023
- drawdown of Sukuk amounting to RM1.00 billion in May 2023
- drawdown of FRTF-i amounting to RM600.00 million in May 2023
- drawdown of FRRC amounting to RM1.25 million in May 2023
- drawdown of Banker's Acceptance amounting to RM1.08 million in May 2023
- repayment of fixed-rate term financing-i amounting to RM2.40 billion in May 2023
- repayment of Banker's Acceptance amounting to RM0.97 million in May 2023
- repayment of FRTL amounting to RM0.01 million in May 2023
- repayment of Fixed-Rate Term Loan amounting to RM0.02 million in May 2023
- drawdown of Banker's Acceptance amounting to RM1.25 million in June 2023
- repayment of FRTL amounting to RM50.00 million in June 2023
- repayment of Banker's Acceptance amounting to RM0.97 million in June 2023
- repayment of FRTL amounting to RM0.01 million in June 2023
- repayment of fixed-rate term loan amounting to RM0.02 million in June 2023

**A6. Dividend Paid**

During the financial period ended 30 June 2023:

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

**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.

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

**A8. Material Events During and Subsequent to the Current Quarter**

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

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

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

**A10. Changes in Contingent Liabilities and Contingent Assets**

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

**A11. Capital Commitments**

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

	<b>RM'000</b>
Approved and contracted for	<u><u>1,170,036</u></u>

**A12. Related Party Transactions**

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

	<b>RM'000</b>
<b><u>Sale of goods and services:</u></b>	
<b>Related companies:</b>	
Bandwidth leasing	5,030
Cloud based software infrastructure services	19,892
Commission fees on content related services	14,613
Domestic interconnect and roaming revenue	15,020
International interconnect and roaming services	11,739
International SMS revenue	4,351
IT related services	977
Provision of telecommunication services	13,792
Site infrastructure lease income	10,423
Disposal of scrap	671
<b>Joint venture company:</b>	
Mobile virtual network operator related revenue	102,517

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D**

**A12. Related Party Transactions (Cont'd)**

	<b>RM'000</b>
<b><u>Purchase of goods and services:</u></b>	
<b>Related companies:</b>	
Cloud based software infrastructure services	(3,552)
International interconnect and roaming services	(17,129)
Leased line/ Bandwidth leasing	(151,785)
Business Security cost	(3,182)
Business service costs	(81)
Managed Services including marketing and collection related services	(7,747)
Domestic interconnect and roaming expense	(3,381)
Global connectivity services	(157)
IT related services	(3,476)
License and trademarks	(8,998)
Clearing house services received for international roaming arrangement	(1,494)
Personnel services payable and professional service	(1,315)
Services rendered on Enterprise Resource Planning ("ERP") and enterprise applications	(417)
Site Operating Charges /Infrastructure leasing and related services	(391,083)
Provision of 5G services	(3,518)
Mobile virtual network operator related revenue	(704)
Managed services	(23,500)

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

	<b>RM'000</b>
Receivables from related parties	26,103
Receivables from joint ventures	19,654
Receivables from associates	690
Payable to related parties	(105,529)
Payable to associates	(1,537)

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

**B1. Review of Performance**

(RM mil unless otherwise indicated)	Q2 2023	Q1 2023	Q2 2022	Variance		Variance		YTD 2023	YTD 2022	Variance	
				Q2 2023 vs Q1 2023	%	Q2 2023 vs Q2 2022	%			YTD 2023 vs YTD 2022	%
Revenue	3,123	3,180	1,539	(57)	(1.8)	1,584	>100	6,303	3,061	3,242	>100
PBT	468	460	362	8	1.7	106	29.3	929	736	193	26.2
PAT	348	321	220	27	8.4	128	58.2	669	456	213	46.7

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

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

(RM mil unless otherwise indicated)	Q2 2023	Q1 2023	Q2 2022 <sup>1</sup>	Variance		Variance		YTD 2023	YTD 2022 <sup>1</sup>	Variance	
				Q2 2023 vs Q1 2023	%	Q2 2023 vs Q2 2022	%			YTD 2023 vs YTD 2022	%
<b>Financial indicator</b>					%		%				%
Revenue	3,123	3,180	3,083	(57)	(1.8)	40	1.3	6,303	6,133	170	2.8
Service Revenue <sup>2</sup>	2,707	2,703	2,716	4	0.1	(9)	(0.3)	5,410	5,393	17	0.3
Total Cost	(1,642)	(1,669)	(1,605)	27	(1.6)	(37)	2.3	(3,311)	(3,194)	(117)	3.7
EBITDA	1,480	1,511	1,478	(31)	(2.1)	2	0.1	2,992	2,939	53	1.8
EBITDA %	47.4	47.5	47.9		(0.1)		(0.5)	47.5	47.9		(0.5)
PBT	468	460	708	8	1.7	(240)	(33.9)	929	1,425	(496)	(34.8)
PAT	348	321	481	27	8.4	(133)	(27.7)	669	980	(311)	(31.7)
<b>Operational indicator</b>					%		%				%
Total subscribers ('000)	20,477	20,292	19,878	185	0.9	599	3.0	20,477	19,878	599	3.0
Blended ARPU (RM)	41	42	42	(1)	(1.4%)	(1)	(2.4%)	41	42	(1)	(1.6%)

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

<sup>2</sup> Service revenue restated to include revenue from cybersecurity, networking, information and communication solutions and other services

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

**B1. Review of Performance (Cont'd)**

(a) Comparison against preceding quarter (Q2 2023 vs Q1 2023)

During the quarter, the Group added 185,000 subscribers, growing the base to 20.5 million. Service revenue for Q2 2023 increased 0.1% to RM2,707 million, with growths in Prepaid, Wholesale and Home Fibre segments. Prepaid revenue grew on the back of solid subscriber additions and continued strong data traction. Home Fibre revenue increased from sustained momentum in the take-up of high value CelcomDigi Fibre plans. These together with the increase in Wholesale revenue, cushioned the decline in Postpaid revenue impacted by a full quarter's reduction in interconnect rate effective since March 2023 and reduced bulk messaging traffic. Total revenue declined by 1.8% to RM3,123 million from softer device sales.

Total cost for Q2 2023 declined 1.6% to RM1,642 million in tandem with lower device sales and lower regulatory compliance costs, partially offset by the increase in IT operations and maintenance costs as well as higher sales and marketing spend. Accordingly, EBITDA declined by 2.1% (-RM31 million) to RM1,480 million.

PBT for Q2 2023 increased 1.7% to RM468 million, despite the lower EBITDA, with lower depreciation and a one-off gain from disposal of asset, while PAT grew 8.4% to RM348 million on lower taxation as the previous quarter was impacted by a reversal of tax credits.

(b) Comparison against corresponding quarter of preceding year (Q2 2023 vs Q2 2022)

The Group registered a growth of 1.3% or RM40 million in total revenue for Q2 2023 from higher device sales while subscriber base grew by 3.0% with net additions of 599,000. Blended ARPU was lower at RM41. Home Fibre segment's growth momentum continued in the quarter with high take-up of high value CelcomDigi Fibre plans launched in Q1 2023, garnering solid growths in revenue and subscriber base. The uplift partially cushioned the impact of lower interconnect rate in Postpaid and Prepaid segments and lower contributions from wholesale partners leading to a service revenue decline of 0.3% to RM2,707 million.

Total cost for Q2 2023 increased 2.3% or RM37 million from higher cost of sales in line with higher devices sales, increase in network and IT related costs to support traffic growths and higher spend on sales and marketing activities partially cushioned by lower regulatory compliance and management services costs.

Accordingly, EBITDA improved by RM2 million to RM1,480 million while the PBT and PAT were lower by 33.9% and 27.7% respectively, impacted by accelerated depreciation commencing from Q4 2022 following the revision in assets useful life and sites rationalisation under the network integration plan.

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

The Group recorded a total revenue of RM6,303 million for YTD 2023, a 2.8% or RM170 million increase against the corresponding period in 2022, on higher device sales and service revenue.



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**B1. Review of Performance (Cont'd)**

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

Service revenue grew 0.3% or RM17 million to RM5,410 million with growths across all segments, except Wholesale, on the back of the enlarged subscriber base of 20.5 million, despite the interconnect rate reduction effective March 2023. Postpaid revenue grew in tandem with continued subscription growth, healthy demand for smart bundles and higher outbound roaming traffic while Prepaid and Home Fibre revenue growths were fueled by strong data demand and steady subscriber additions. The Wholesale segment was impacted by lower contributions from wholesale partners.

Total cost for YTD 2023 was higher by 3.7% or RM117 million from higher cost of sales in line with the higher device sales. Operating expenses was stable as lower regulatory compliance and management services costs offset the higher network and IT related costs incurred to cater to traffic growths. Accordingly, EBITDA for YTD 2023 increased by 1.8% or RM53 million. PBT for YTD 2023 decreased by 34.8% impacted by the accelerated depreciation commencing from Q4 2022 with the revision in assets useful life and sites rationalisation. Accordingly, PAT was also lower by 31.7%.

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

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

**B3. Prospects For The Financial Year Ending 31 December 2023**

CelcomDigi Berhad remains focused on delivering topline growth and profitability while pushing ahead with integration of the company's networks, IT and organisation at the same time. The network integration and modernisation initiatives have commenced in full speed and are progressing well to elevate the network experience of our 20.5 million customers on the nation's fastest and widest 4G network. By efficiently harmonising the backend operations and processes, we aim to better serve customers, deliver more value and converged products to customers, improve customer service, and modernise retail touchpoints and channels.

We will continue to play an active and direct role in the country's 5G implementation, and remain committed in ensuring a smooth transition into the dual 5G network model as announced by the Government in May 2023. Our clear 5G value propositions in the consumer segment and initiatives such as the CelcomDigi MY5G CEO roundtable series for enterprises will enable us to lead 5G adoption in the country and facilitate the development of a robust 5G ecosystem.

The current economic climate continues to present opportunities for the Company, riding on the firm domestic demand, the improvement in the tourism sector and the rising adoption of digital technologies. The stabilising benchmark interest rates and easing inflation rates are expected to help spur demands for mobile and digital offerings.

Barring unforeseen circumstances and potential impact from 5G implementation, our guidance for the full year is reaffirmed as follows:

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

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**B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit/Profit Guarantee**  
Not applicable.

**B5. Revenue**

**Disaggregation of revenue from contracts with customers**

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

	Note	PERIOD ENDED	PERIOD ENDED
		30 JUN 2023 RM'000	30 JUN 2022 RM'000
<b>Major products/service lines</b>			
Telecommunication revenue	(a)	5,341,595	2,632,724
Sales of devices	(b)	839,570	381,019
Lease income	(c)	53,735	45,775
Other revenue	(d)	68,065	1,065
		6,302,965	3,060,583

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

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

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**B6. Taxation**

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

	Individual quarter	Cumulative quarter
	Quarter ended 30 JUN 2023 RM'000	Period ended 30 JUN 2023 RM'000
Income tax:		
- Current tax expense	(285,769)	(486,958)
- Under-provision in prior years	-	(23,048)
Deferred tax:		
- Net origination and reversal of timing differences	165,370	250,107
<b>Total</b>	<b>(120,399)</b>	<b>(259,899)</b>

The Group's effective tax rate ("ETR") for the current quarter and financial period ended 30 June 2023 of 25.7% and 28.0% respectively are above the statutory tax rate of 24.0% due to certain expenses which are not deductible for tax purposes and adjustment on under-provision of current tax liabilities in prior years.

**B7. Status of Corporate Proposals**

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

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**B8. Group Borrowings**

RM denominated	As at 30 JUN 2023		As at 30 JUN 2022	
	RM'000 Current	RM'000 Non-current	RM'000 Current	RM'000 Non-current
<b><u>Secured</u></b>				
FRTL	168	1,765	-	-
Fixed-rate term financing	207	339	-	-
Banker's Acceptance	4,251	-	-	-
	<u>4,626</u>	<u>2,104</u>	<u>-</u>	<u>-</u>
<b><u>Unsecured</u></b>				
FRTL	175,000	519,618	221,463	-
FRTF-i	125,000	2,353,870	150,000	344,837
Sukuk	300,000	3,947,628	-	1,498,888
FRRC	1,250	-	75,000	-
FRRC-i	-	-	-	-
Lease liabilities	1,191,753	4,920,362	444,230	2,015,580
	<u>1,793,003</u>	<u>11,741,478</u>	<u>890,693</u>	<u>3,859,305</u>
<b>Total loans and borrowings</b>	<b><u>1,797,629</u></b>	<b><u>11,743,582</u></b>	<b><u>890,693</u></b>	<b><u>3,859,305</u></b>

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

	As at 30 JUN 2023	As at 30 JUN 2022
Borrowings and debt securities:	RM'000	RM'000
Floating rate	3,180,922	791,300
Fixed rate	10,360,289	3,958,698
	<u>13,541,211</u>	<u>4,749,998</u>

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CONT'D**

**B8. Group Borrowings (Cont'd)**

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

	As at 30 JUN 2023 %	As at 30 JUN 2022 %
FRTL and FRTF-i	4	3
Fixed-rate term financing	4	-
Sukuk	5	4
FRRC and FRRC-i	4	3
Banker's Acceptance	5	-

**B9. Financial Instruments**

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

Type of derivatives	Notional value RM'000	Fair value - (liability)/asset RM'000
Foreign currency forward contracts		
- Less than one year	29,608	366
Interest rate swaps contracts		
- One year to three years	300,000	(816)
- More than three years	475,000	(1,880)
Convertible warrants in an associate:		
- One year to three years	19,251	60,768

**Accounting Policy**

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

**(a) Foreign currency risk**

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

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CONT'D**

**B9. Financial Instruments – cont'd**

**Accounting Policy – cont'd**

**(b) Interest rate risk**

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

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

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

**Credit Risk Management Policy**

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

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

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

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**B10. Material Litigation**

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

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

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

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

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

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

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

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CONT'D**

**B10. Material Litigation (Cont'd)**

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

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

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

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

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

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

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

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

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

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

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



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CONT'D**

**B10. Material Litigation (Cont'd)**

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

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

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

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

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

In summary, the Plaintiffs are seeking the following:

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

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**B10. Material Litigation (Cont'd)**

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

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

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

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

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

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

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

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

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

**B10. Material Litigation (Cont'd)**

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

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

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

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

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

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

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

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

As against TSDTR:

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

As against TSDTR and DBR:

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

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

**B10. Material Litigation (Cont'd)**

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

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

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

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

**B11. Dividends**

The Board of Directors has declared a second interim tax exempt (single-tier) dividend of 3.2 sen per ordinary share (Q2 2022: 2.8 sen per ordinary share) in respect of the financial year ending 31 December 2023, which will be paid on 29 September 2023. The entitlement date is on 6 September 2023.

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

- (i) shares transferred to the Depositor’s Securities Account before 4:30 p.m. on 6 September 2023 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad (“Bursa Securities”) on a cum entitlement basis according to the Rules of Bursa Securities.

Year-to-date (“YTD”) dividend for the financial period ended 30 June 2023 is 6.4 sen per ordinary share (YTD 2022: 5.7 sen).

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

**B12. Earnings Per Share**

Basic Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	Quarter ended 30 JUN 2023 RM'000	Quarter ended 30 JUN 2022 RM'000	Period ended 30 JUN 2023 RM'000	Period ended 30 JUN 2022 RM'000
<b>Earnings</b>				
Profit for the period, attributable to owners of the Company	343,515	220,043	661,436	456,192
Weighted average number of ordinary shares ('000)	11,731,508	7,775,000	11,731,508	7,775,000
Basic earnings per share (sen)	2.93	2.83	5.64	5.87

Diluted Earnings Per Share - Not applicable

**B13. Auditors' Report on Preceding Annual Financial Statements**

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

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

**B14. Additional Disclosures**

	Individual Quarter		Cumulative Quarter	
	Quarter ended 30 JUN 2023 RM'000	Quarter ended 30 JUN 2022 RM'000	Period ended 30 JUN 2023 RM'000	Period ended 30 JUN 2022 RM'000
Allowance for expected credit losses on trade receivables and contract assets	(23,183)	(11,621)	(41,568)	(22,968)
Reversal for inventory obsolescence	3,229	950	6,188	1,392
Net gain/(loss) on fixed assets written-off and disposed	15,941	(9,051)	14,951	(23,648)
Fair value gain on investment in shares	1	-	1	-
Gain on termination of leases	1,796	261	1,796	562
Foreign exchange loss	(4,458)	(382)	(5,329)	(1,487)
Fair value gain on derivative financial instruments	1,598	56	18,432	308
Fair value gain/(loss) on interest rate swaps	57	(14,347)	(266)	(26,411)

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

c.c. Securities Commission