



DIGI.COM BERHAD

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

Date: 28 January 2022

**Subject: INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021**

<u>Table of contents</u>	<u>Page</u>
Condensed Consolidated Statement of Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 13
Additional information required by the Bursa Malaysia Securities Listing Requirements ("Bursa Securities LR") (Appendix 9B)	14 -22

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	QUARTER ENDED	QUARTER ENDED	%	YEAR ENDED	YEAR ENDED	%
	31 DEC 2021 RM'000	31 DEC 2020 RM'000		31 DEC 2021 RM'000	31 DEC 2020 RM'000	
Revenue	1,582,595	1,560,772	+1	6,335,674	6,152,747	+3
Other income	10,227	4,193		25,775	19,048	
Net gain/(loss) on foreign exchange and fair value movement of foreign currency forward contracts	269	(1,183)		2,112	2,366	
Depreciation, amortisation and impairment	(307,982)	(275,632)		(1,263,465)	(1,221,899)	
Other expenses	(853,215)	(797,867)		(3,353,817)	(3,096,995)	
Net loss on fixed assets written-off and disposed	(12,601)	(50,665)		(16,734)	(50,665)	
(Loss)/gain on termination of right-of-use assets	(63)	44		384	72	
Finance costs	(61,484)	(69,989)	-12	(245,585)	(212,547)	+16
Interest income	7,367	7,251		30,541	29,919	
Profit before tax	365,113	376,924	-3	1,514,885	1,622,046	-7
Taxation	(60,563)	(96,745)		(352,781)	(401,077)	
Profit for the period/year representing total comprehensive income for the period/year net of tax	304,550	280,179	+9	1,162,104	1,220,969	-5
Attributable to:						
Owners of the parent	304,550	280,179	+9	1,162,104	1,220,969	-5

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONT'D

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER			
	QUARTER ENDED	QUARTER ENDED	%	YEAR ENDED	YEAR ENDED	%
	31 DEC 2021	31 DEC 2020		31 DEC 2021	31 DEC 2020	
Earnings per share attributable to owners of the parent (sen per share):						
- Basic	3.92	3.60		14.95	15.70	
- Diluted ¹	NA	NA		NA	NA	

Note:¹ 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)

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AT 31 DEC 2021 RM'000	AUDITED AT 31 DEC 2020 RM'000
Non-current assets		
Property, plant and equipment	2,863,633	2,883,143
Intangible assets	284,056	248,036
Right-of-use assets	2,828,762	3,031,878
Other investments	78	78
Trade and other receivables	320,861	344,538
Contract costs	71,687	57,887
Contract assets	21,757	28,886
Derivative financial instruments	26,365	61,728
	<u>6,417,199</u>	<u>6,656,174</u>
Current assets		
Inventories	116,567	137,207
Trade and other receivables	1,050,394	972,387
Contract assets	51,127	66,437
Tax recoverable	-	51,676
Cash and short-term deposits	204,527	302,853
	<u>1,422,615</u>	<u>1,530,560</u>
TOTAL ASSETS	<u><u>7,839,814</u></u>	<u><u>8,186,734</u></u>
Non-current liabilities		
Loans and borrowings	3,835,854	4,677,523
Deferred tax liabilities	303,027	268,927
Other liabilities	136,052	120,255
	<u>4,274,933</u>	<u>5,066,705</u>
Current liabilities		
Trade and other payables	1,444,025	1,432,986
Contract liabilities	346,088	306,283
Derivative financial instruments	183	394
Loans and borrowings	1,123,421	774,510
Tax payable	18,354	-
	<u>2,932,071</u>	<u>2,514,173</u>
Total liabilities	<u><u>7,207,004</u></u>	<u><u>7,580,878</u></u>

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONT'D

	UNAUDITED AT 31 DEC 2021 RM'000	AUDITED AT 31 DEC 2020 RM'000
Equity		
Share capital	769,655	769,655
Accumulated losses	(136,845)	(163,799)
Total equity - attributable to owners of the parent	<u>632,810</u>	<u>605,856</u>
TOTAL EQUITY AND LIABILITIES	<u>7,839,814</u>	<u>8,186,734</u>
Net assets per share (RM)	<u>0.08</u>	<u>0.08</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)

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 31 December 2020/ 1 January 2021	769,655	(163,799) ¹	605,856
Total comprehensive income	-	1,162,104	1,162,104
Transaction with owners:			
Dividend for the financial year ended 31 December 2020 - fourth interim dividend	-	(279,900)	(279,900)
Dividend for the financial year ended 31 December 2021 - first interim dividend	-	(264,350)	(264,350)
- second interim dividend	-	(279,900)	(279,900)
- third interim dividend	-	(311,000)	(311,000)
At 31 December 2021	<u>769,655</u>	<u>(136,845)</u>	<u>632,810</u>

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - CONT'D

	Share capital RM'000	Accumulated losses RM'000	Total RM'000
At 31 December 2019/ 1 January 2020	769,655	(109,668) ¹	659,987
Total comprehensive income	-	1,220,969	1,220,969
Transaction with owners:			
Dividend for the financial year ended 31 December 2019 - fourth interim dividend	-	(342,100)	(342,100)
Dividend for the financial year ended 31 December 2020 - first interim dividend	-	(326,550)	(326,550)
- second interim dividend	-	(287,675)	(287,675)
- third interim dividend	-	(318,775)	(318,775)
At 31 December 2020	<u>769,655</u>	<u>(163,799)</u>	<u>605,856</u>

Note:¹ 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 9 to 13)

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED 31 DEC 2021 RM'000	YEAR ENDED 31 DEC 2020 RM'000
Cash flows from operating activities		
Profit before tax	1,514,885	1,622,046
Adjustments for:		
Non-cash items	1,415,763	1,357,662
Finance costs	245,585	212,547
Interest income	(30,541)	(29,919)
Operating cash flow before working capital changes	<u>3,145,692</u>	<u>3,162,336</u>
Changes in working capital:		
Net change in current assets	(300,229)	(90,311)
Net change in contract assets	22,439	(28,926)
Net change in contract costs	(97,239)	8,283
Net change in current liabilities	11,490	(354,386)
Net change in contract liabilities	39,805	62,564
Cash generated from operations	<u>2,821,958</u>	<u>2,759,560</u>
Advanced payment for bandwidth	(4,095)	(10,872)
Interest paid	(153,035)	(247,508)
Government grant received	239,133	323,940
Payments for provisions	(27)	(75)
Taxes paid (net of refund)	(248,651)	(393,020)
Net cash generated from operating activities	<u>2,655,283</u>	<u>2,432,025</u>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(803,355)	(736,183)
Interest received	8,572	11,617
Proceeds from disposal of property, plant and equipment	1,457	110
Net cash used in investing activities	<u>(793,326)</u>	<u>(724,456)</u>
Cash flows from financing activities		
Drawdowns of loans and borrowings	-	150,000
Repayments of loans and borrowings	(825,767)	(738,331)
Dividends paid	(1,135,150)	(1,275,100)
Net cash used in financing activities	<u>(1,960,917)</u>	<u>(1,863,431)</u>

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - CONT'D

	YEAR ENDED 31 DEC 2021 RM'000	YEAR ENDED 31 DEC 2020 RM'000
Net decrease in cash and cash equivalents	(98,960)	(155,862)
Effect of exchange rate changes on cash and cash equivalents	634	999
Cash and cash equivalents at beginning of financial year	302,853	457,716
Cash and cash equivalents at end of financial year	<u>204,527</u>	<u>302,853</u>

(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)

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2020.

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 2020 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 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

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.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

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 financial year ended 31 December 2021, other than as disclosed in Note A5:

- (i) the repayment of floating-rate term financing-i ("FRTF-i"); and
- (ii) the repayment of floating-rate term loan ("FRTL").

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect for the financial year ended 31 December 2021.

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 2021, other than:

(i) FRTF-i and FRTL

For the financial year ended 31 December 2021, the Group made:

- (a) repayment of FRTF-i amounting to RM75.0 million in March 2021;
- (b) repayment of FRTL amounting to RM62.5 million in March 2021;
- (c) repayment of FRTL amounting to RM50.0 million in June 2021;
- (d) repayment of FRTF-i amounting to RM75.0 million in September 2021;
- (e) repayment of FRTL amounting to RM62.5 million in September 2021; and
- (f) repayment of FRTL amounting to RM50.0 million in December 2021.

A6. Dividend Paid

For the financial year ended 31 December 2021:

- (i) The fourth interim tax exempt (single-tier) dividend of 3.6 sen per ordinary share amounting to RM279.9 million in respect of the financial year ended 31 December 2020 was paid on 26 March 2021;
- (ii) The first interim tax exempt (single-tier) dividend of 3.4 sen per ordinary share amounting to RM264.4 million in respect of the financial year ended 31 December 2021 was paid on 25 June 2021;
- (iii) The second interim tax exempt (single-tier) dividend of 3.6 sen per ordinary share amounting to RM279.9 million in respect of the financial year ended 31 December 2021 was paid on 24 September 2021; and
- (iv) The third interim tax exempt (single-tier) dividend of 4.0 sen per ordinary share amounting to RM311.0 million in respect of the financial year ended 31 December 2021 was paid on 17 December 2021.

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.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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.

A9. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial year ended 31 December 2021 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 2020.

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 2021 are as follows:

	RM'000
Approved and contracted for	<u>192,222</u>
Approved but not contracted for	<u>175,677</u>

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A12. Related Party Transactions

Related party transactions ("RPT") 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 and balances with related parties of the Group during the current financial year:

	Transactions for the year ended 31 DEC 2021 RM'000	Balance due (to)/from at 31 DEC 2021 RM'000
With the ultimate holding company and fellow subsidiaries		
- Telenor ASA		(7,950)
Business service cost	40,031	
Consultancy services rendered	814	
Licenses and trademarks	9,510	
- Telenor Procurement Company Pte Ltd		(10,547)
Managed services rendered	36,103	
- Telenor GO Pte Ltd		597
Personnel services rendered	3,449	
- Telenor Global Services AS		(377)
Sales of interconnection services on international traffic	15,759	
Purchases of interconnection services on international traffic	17,389	
Purchases of global connectivity	3,043	
Clearing house services rendered for international roaming arrangement	427	
- dtac TriNet Co Ltd		472
Bandwidth leasing income	3,027	
Sales of interconnection services on international traffic	729	
Purchases of interconnection services on international traffic	300	
Purchases of international roaming services	169	

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A12. Related Party Transactions – cont'd

	Transactions for the year ended 31 DEC 2021 RM'000	Balance due from/(to) at 31 DEC 2021 RM'000
With the ultimate holding company and fellow subsidiaries		
- Telenor Digital Services AS Services rendered on digital marketing and distribution platform	9,444	(3,178)
- Telenor Global Shared Services AS Services rendered on Enterprise Resource Planning ("ERP") and Enterprise applications	4,730	(10,792)
- Telenor Global Services Singapore Pte Ltd Bandwidth leasing income Bandwidth leasing expenses Purchases of IP transit	7,967 3,185 251	869
- Telenor Norge AS Business security strategy execution rendered	8,616	(5,051)
- Telenor Connexion AB Purchases of interconnection services on international traffic	856	(143)
	856	(143)

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

Analysis of the Group's performance is provided 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

Analysis of material changes in the Group's Profit Before Tax for current quarter ("4Q 2021") compared with immediate preceding quarter ("3Q 2021") is provided in the "Management Discussion & Analysis" enclosed.

B3. Prospects For The Next Financial Year Ending 31 December 2022

Analysis of the Group's prospects up to 31 December 2022 is provided in the "Management Discussion & Analysis" enclosed.

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 represented our defined performance obligations).

	Note	YEAR ENDED 31 DEC 2021 RM'000	YEAR ENDED 31 DEC 2020 RM'000
Major products/service lines			
Telecommunication revenue	(a)	5,342,621	5,427,939
Sales of devices	(b)	899,018	641,204
Lease income	(c)	94,035	83,604
		6,335,674	6,152,747

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

- (a) Services transferred over time
- (b) Products transferred at a point in time
- (c) Lease income accounted for on a straight-line basis over the lease term

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B6. Taxation

The Group's taxation charge for the current quarter and financial year ended 31 December 2021 respectively were made up as follows:

	Individual quarter	Cumulative quarter
	Quarter ended 31 DEC 2021 RM'000	Year ended 31 DEC 2021 RM'000
Income tax:		
- Current tax expense	(34,024)	(366,047)
- Over-provision in prior years	47,366	47,366
Deferred tax:		
- Net origination and reversal of timing differences	(45,906)	(6,101)
- Under-provision of deferred tax liabilities in prior years	(27,999)	(27,999)
Total	(60,563)	(352,781)

The Group's effective tax rate ("ETR") for the current quarter and financial year ended 31 December 2021 of 16.6% and 23.3% respectively. The deviation between the ETR of current quarter and statutory tax rate of 24.0% are mainly due to deferred tax impact arising from Prosperity Tax as announced in Budget 2022 and the reversal of provision for penalties of the relevant years upon the assessment being concluded by tax authority.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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, other than:

Advanced discussions to merge Digi.Com Berhad ("Digi") and Celcom Axiata Berhad ("Celcom")

On 8 April 2021, Digi was informed by Telenor ASA ("Telenor"), the parent company of Digi's largest shareholder, Telenor Asia Pte Ltd, that Telenor and Axiata Group Berhad ("Axiata") are in discussion to merge the telco operations of Celcom and Digi ("MergeCo"), in which the parties will have an equal ownership of 33.1% each.

On 21 June 2021, Digi had entered into a conditional share purchase agreement with Axiata for the proposed merger.

On 24 November 2021, Digi had engaged with Malaysian Communications and Multimedia Commission ("MCMC") to initiate the merger assessment process in accordance with MCMC's Guidelines on Mergers and Acquisitions (the "Guidelines") and the merger application had been formally received by MCMC for its assessment in accordance with the Guidelines.

The transaction will be subject to relevant board and shareholder approvals by Digi and Axiata, receipt of regulatory approvals, and other customary terms and conditions. Barring any unforeseen circumstances and subject to all the requisite approvals being obtained, the proposed merger is expected to be completed by the second quarter of 2022.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B8. Group Borrowings

	Note	As at 31 DEC 2021 RM'000	As at 31 DEC 2020 RM'000
Non-current			
FRTL	(a)	107,522	329,859
FRTF-i	(a)	219,128	367,776
Islamic Medium Term Notes ("IMTN")	(b)	1,498,765	1,798,503
Lease liabilities		<u>2,010,439</u>	<u>2,181,385</u>
		<u>3,835,854</u>	<u>4,677,523</u>
Current			
FRTL	(c)	225,000	225,000
FRTF-i	(c)	150,000	150,000
IMTN	(b)	300,000	-
Lease liabilities		<u>448,421</u>	<u>399,510</u>
		<u>1,123,421</u>	<u>774,510</u>
Total loans and borrowings		<u>4,959,275</u>	<u>5,452,033</u>

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

Any difference between proceeds (net of transaction costs) and the settlement or redemption of borrowings and debt securities is recognised in profit and loss over the year of the borrowings and debt securities using the effective interest rate method.

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

	As at 31 DEC 2021 RM'000	As at 31 DEC 2020 RM'000
Borrowings and debt securities:		
Floating rate	701,650	1,072,635
Fixed rate	<u>4,257,625</u>	<u>4,379,398</u>
	<u>4,959,275</u>	<u>5,452,033</u>

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B8. Group Borrowings – cont'd

- (a) Repayments of FRTL and FRTF-i will commence 42 months from first drawdown. Repayments for non-current portion of FRTL and FRTF-i are as disclosed below:

		Outstanding amount as at No. 31 DEC 2021 RM'000	Month of next repayment
Non-current			
FRTL	i	62,500	March 2023
	ii	50,000	June 2023
Non-current			
FRTF-i	iii	75,000	March 2023
	iv	150,000	June 2024

- (b) The details of the Group's outstanding IMTN as at 31 December 2021 are set out as follow:

IMTN	Nominal value RM' million	Tenure	Profit rate per annum	Maturity date
Tranche 001	300.0	5 years	4.38%	14 April 2022
Tranche 002	300.0	7 years	4.53%	12 April 2024
Tranche 003	300.0	10 years	4.65%	14 April 2027
Tranche 004	450.0	7 years	3.50%	18 September 2026
Tranche 005	450.0	10 years	3.60%	20 September 2029
Total	1,800.0			

The proceeds from IMTN have been partially hedged against interest rate risk using interest rate swaps as disclosed in Note B9.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B8. Group Borrowings – cont'd

- (c) The amount of FRTL and FRTF-i classified as current liabilities are due within the next 12 months.

The current portion of FRTL consists of:

- (i) tranches of RM62.5 million each which are repayable in March 2022 and September 2022 respectively; and
(ii) tranches of RM50.0 million each which are repayable in June 2022 and December 2022 respectively.

The current portion of FRTF-i consists of tranches of RM75.0 million each which are repayable in March 2022 and September 2022 respectively.

B9. Financial Instruments

As at 31 December 2021 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	39,499	(183)
Interest rate swaps contracts - One year to three years	600,000	12,192
- More than three years	475,000	14,173

Accounting Policy

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

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B9. Financial Instruments – cont'd

Accounting Policy – cont'd

(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.

(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 IMTN with notional principal amounts of RM1,075 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 IMTN.

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.

There were no changes in the cash requirement of the derivatives since the end of the previous financial year ended 31 December 2020.

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 year that do not qualify for hedge accounting are recognised in profit and loss.

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.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B10. Material Litigation

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

B11. Dividends

The Board of Directors has declared a fourth interim tax exempt (single-tier) dividend of 3.9 sen per ordinary share (4Q 2020: 3.6 sen per ordinary share) in respect of the financial year ended 31 December 2021, which will be paid on 25 March 2022. The entitlement date is on 3 March 2022.

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 3 March 2022 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 2021 is 14.9 sen per ordinary share (YTD 2020: 15.6 sen).

B12. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year ended 31 December 2021 have been calculated as per the summary below:

	Individual Quarter		Cumulative Quarter	
	Quarter ended 31 DEC 2021 RM'000	Quarter ended 31 DEC 2020 RM'000	Year ended 31 DEC 2021 RM'000	Year ended 31 DEC 2020 RM'000
Earnings				
Profit for the period/year, attributable to owners of the parent	304,550	280,179	1,162,104	1,220,969
Weighted average number of ordinary shares ('000)	7,775,000	7,775,000	7,775,000	7,775,000
Basic earnings per share (sen)	3.92	3.60	14.95	15.70

Diluted Earnings Per Share - Not applicable

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

B13. Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 31 December 2020 were not subject to any qualification.

B14. Additional Disclosures

	Individual Quarter		Cumulative Quarter	
	Quarter ended 31 DEC 2021 RM'000	Quarter ended 31 DEC 2020 RM'000	Year ended 31 DEC 2021 RM'000	Year ended 31 DEC 2020 RM'000
Impairment losses on trade receivables and contract assets	(13,794)	(18,306)	(54,506)	(81,579)
Reversal/(allowance) for inventory obsolescence	1,203	(431)	1,141	(212)
Loss on write-off of property, plant and equipment	(12,601)	(50,793)	(16,734)	(53,303)
(Loss)/gain on termination of right-of-use assets	(63)	44	384	72
Foreign exchange gain/(loss)	452	(781)	1,901	2,342
Fair value (loss)/gain on foreign currency forward contracts	(183)	(402)	211	24
Fair value (loss)/gain on interest rate swaps	(8,700)	(4,116)	(35,397)	40,679

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 2021.

c.c. Securities Commission