

financial statements





directors' report

for the year ended 30 April 2001

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 April 2001.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the year	189,985	(284)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

DIVIDENDS

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

- Tan Sri Dato' Seri Tan Chee Yioun
- Tun Dato' Seri Dr Lim Chong Eu
- Tan Sri Datuk Abdul Rahim bin Haji Din
- Datuk Paduka Dr Saleha binti Mohamed Ali
- Robin Tan Yeong Ching
- Chan Kien Sing (Director and alternate Director to Tan Sri Dato' Seri Tan Chee Yioun)
- Arve Johansen
- Morten Karlsen Sorby
- Dato' Ismail Bin Osman
- Sigve Brekke (appointed on 2.10.2000)
- Bjorn Magnus Kopperud (appointed as alternate Director on 28.9.2000 to Arve Johansen and Morten Karlsen Sorby)
- Gunnar Bertelsen (appointed as alternate Director on 7.11.2000 to Sigve Brekke)
- Dr Ole Petter Hakonsen (resigned on 2.10.2000)
- Ragnar Holmen Korsæth (ceased as alternate Director on 28.9.2000 to Arve Johansen and Morten Karlsen Sorby; ceased as alternate Director on 2.10.2000 to Dr Ole Petter Hakonsen)

directors' report

for the year ended 30 April 2001

DIRECTORS' INTERESTS

According to the register of Directors' Shareholdings, the interest of Directors in office at the end of the financial year in the shares of the Company and its related companies are as follows:

The Company	Number of Ordinary Shares of RM1 each			Balance at 30.4.2001
	Balance at 1.5.2000	Bought	Sold	
Direct interests				
Tan Sri Dato' Seri Tan Chee Yioun	82,805,644	7,048,000	-	89,853,644
Indirect interests				
Tan Sri Dato' Seri Tan Chee Yioun	157,567,319	-	-	157,567,319

By virtue of his interests in the shares of the Company, Tan Sri Dato' Seri Tan Chee Yioun is deemed to be interested in the shares of the subsidiaries (as set out in Note 4 to the financial statements) to the extent the Company has an interest.

None of the other Directors holding office at 30 April 2001 had any interest in the ordinary shares of the Company and its related corporations during the year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The aggregate remuneration of the Directors of the Company categorised into appropriate components for the financial year are as follows:

	Fees RM'000	Emoluments RM'000	Total RM'000
Executive	-	67	67
Non-Executive	20	155	175
	<hr/> 20	<hr/> 222	<hr/> 242
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



directors' report

for the year ended 30 April 2001

The number of Directors of the Company whose total remuneration fall within the respective band are as follows:

	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	-	3
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	-	1
	<hr/>	<hr/>
	1	4
	<hr/>	<hr/>

ISSUE OF SHARES

There were no changes in the issued and paid-up capital of the Company during the year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year under review.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 April 2001 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



directors' report

for the year ended 30 April 2001

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....
Tan Sri Datuk Abdul Rahim bin Haji Din
Director

.....
Chan Kien Sing
Director

Kuala Lumpur,
Date: 22 August 2001



statement by directors pursuant to
section 169(15) of the companies act, 1965


In the opinion of the Directors, the financial statements set out on pages 66 to 82, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 April 2001 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Tan Sri Datuk Abdul Rahim bin Haji Din
Director

.....
Chan Kien Sing
Director

Kuala Lumpur,
Date: 22 August 2001



declaration pursuant to section 169(16)
of the companies act, 1965

I, **Ho Meng**, the officer primarily responsible for the financial management of DiGi.Com Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 82, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur on 22 August 2001.

.....
Ho Meng

Before me:

Commissioner for Oaths
Teong Kian Meng
Licence No. W147
Kuala Lumpur

We have audited the financial statements set out on pages 66 to 82. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 April 2001 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758

Public Accountants

Seow Yoo Lin

Partner

Approval Number: 1497/2/03(J)

Kuala Lumpur,

Date: 22 August 2001

balance sheets

at 30 April 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	1,701,180	1,304,204	-	-
DEFERRED EXPENDITURE	3	58,961	39,258	-	-
INVESTMENTS IN SUBSIDIARIES	4	-	-	1,101,875	1,102,268
		<u>1,760,141</u>	<u>1,343,462</u>	<u>1,101,875</u>	<u>1,102,268</u>
CURRENT ASSETS					
Inventories	5	17,176	6,630	-	-
Trade and other receivables	6	146,566	131,855	2	2
Cash and cash equivalents	7	211,473	175,894	-	19
		<u>375,215</u>	<u>314,379</u>	<u>2</u>	<u>21</u>
CURRENT LIABILITIES					
Trade and other payables	8	496,693	413,455	281	409
Borrowings	10	-	210,302	-	-
		<u>496,693</u>	<u>623,757</u>	<u>281</u>	<u>409</u>
NET CURRENT LIABILITIES		<u>(121,478)</u>	<u>(309,378)</u>	<u>(279)</u>	<u>(388)</u>
		<u>1,638,663</u>	<u>1,034,084</u>	<u>1,101,596</u>	<u>1,101,880</u>
FINANCED BY :-					
CAPITAL AND RESERVES					
Share capital	11	750,000	750,000	750,000	750,000
Reserves		397,757	207,772	351,596	351,880
SHAREHOLDERS' FUNDS		<u>1,147,757</u>	<u>957,772</u>	<u>1,101,596</u>	<u>1,101,880</u>
LONG TERM LIABILITIES					
Hire purchase creditors	9	-	556	-	-
Borrowings	10	490,906	75,756	-	-
		<u>490,906</u>	<u>76,312</u>	<u>-</u>	<u>-</u>
		<u>1,638,663</u>	<u>1,034,084</u>	<u>1,101,596</u>	<u>1,101,880</u>

The notes set out on pages 71 to 82 form an integral part of, and, should be read in conjunction with, these financial statements.

income statements

for the year ended 30 April 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
REVENUE		907,803	655,821	-	-
Other operating income		4,301	1,171	-	-
Staff costs		(63,808)	(48,767)	-	-
Depreciation expense		(109,970)	(94,943)	-	-
Amortisation of deferred expenditure		(57,211)	(74,860)	-	-
Operating expenses		(457,419)	(362,134)	(284)	(300)
OPERATING PROFIT/(LOSS)	12	223,696	76,288	(284)	(300)
Financing costs		(38,562)	(55,266)	-	-
Interest income		4,851	2,182	-	-
PROFIT/(LOSS) BEFORE TAXATION		189,985	23,204	(284)	(300)
Tax expense	14	-	-	-	-
NET PROFIT/(LOSS) FOR THE YEAR		189,985	23,204	(284)	(300)
Earnings per ordinary share (sen)	15	25.3	3.4		

The notes set out on pages 71 to 82 form an integral part of, and, should be read in conjunction with, these financial statements.

statements of changes in equity

for the year ended 30 April 2001

GROUP	Share capital RM'000	Non-Distributable	Distributable	Total RM'000
		Share premium RM'000	(Accumulated losses)/ Retained profits RM'000	
AT 1 MAY 1999	500,000	291,208	(168,083)	623,125
Issuance of shares	250,000	61,443	-	311,443
Net profit for the year	-	-	23,204	23,204
AT 30 APRIL 2000	750,000	352,651	(144,879)	957,772
Net profit for the year	-	-	189,985	189,985
AT 30 APRIL 2001	750,000	352,651	45,106	1,147,757
	Note 11			
COMPANY				
AT 1 MAY 1999	500,000	291,208	(471)	790,737
Issuance of shares	250,000	61,443	-	311,443
Net loss for the year	-	-	(300)	(300)
AT 30 APRIL 2000	750,000	352,651	(771)	1,101,880
Net loss for the year	-	-	(284)	(284)
AT 30 APRIL 2001	750,000	352,651	(1,055)	1,101,596
	Note 11			

The notes set out on pages 71 to 82 form an integral part of, and, should be read in conjunction with, these financial statements.

cash flow statements

for the year ended 30 April 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	189,985	23,204	(284)	(300)
Adjustments for:				
Depreciation	109,970	94,943	-	-
Amortisation of deferred expenditure	57,211	74,860	-	20
Interest expense	38,562	55,266	-	-
Interest income	(4,851)	(2,182)	-	-
Gain on disposal of property, plant and equipment	(267)	(12)	-	-
Unrealised foreign exchange loss/(gain)	151	(817)	-	-
Property, plant and equipment written off	505	469	-	-
Operating profit/(loss) before working capital changes	391,266	245,731	(284)	(280)
Changes in working capital:				
Inventories	(10,546)	8,313	-	-
Trade and other receivables	(14,710)	579	-	(1)
Trade and other payables	79,272	(114)	(128)	165
Amount due to a shareholder	-	(143,691)	-	-
Cash generated from/(used in) operations	445,282	110,818	(412)	(116)
Interest paid	(33,407)	(55,266)	-	-
Deferred expenditure incurred	(76,914)	(34,814)	-	-
Net cash generated by/(used in) operating activities	334,961	20,738	(412)	(116)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(507,470)	(143,225)	-	-
Amount due from subsidiary company	-	-	393	(311,308)
Interest income received	4,795	2,182	-	-
Proceeds from disposal of property, plant and equipment	285	264	-	-
Net cash (used in)/generated by investing activities	(502,390)	(140,779)	393	(311,308)

cash flow statements

for the year ended 30 April 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	311,443	-	311,443
Proceeds from bank borrowings	490,906	-	-	-
Repayment of bank borrowings	(286,058)	(88,989)	-	-
Repayment of hire purchase and lease obligations	(1,840)	(2,925)	-	-
Net cash generated by financing activities	<u>203,008</u>	<u>219,529</u>	<u>-</u>	<u>311,443</u>
Net increase/(decrease) in cash and cash equivalents	35,579	99,488	(19)	19
Cash and cash equivalents at beginning of year	<u>175,894</u>	<u>76,406</u>	<u>19</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>211,473</u></u>	<u><u>175,894</u></u>	<u><u>-</u></u>	<u><u>19</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and bank balances	12,143	8,194	-	19
Deposits with licensed banks	<u>199,330</u>	<u>167,700</u>	<u>-</u>	<u>-</u>
	<u><u>211,473</u></u>	<u><u>175,894</u></u>	<u><u>-</u></u>	<u><u>19</u></u>

The notes set out on pages 71 to 82 form an integral part of, and, should be read in conjunction with, these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and in compliance with applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Investments in subsidiaries

Investments in subsidiaries are held for long term and are stated at cost. Such investments are only written down when the Directors are of the opinion that there is a permanent diminution in their values.

(d) Property, plant and equipment

Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation. Freehold land and capital work-in-progress are stated at cost.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss, if any, is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss, if any, is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement.

(e) Depreciation

Freehold land and capital work-in-progress are not depreciated. All other assets are depreciated on a straight line basis over their estimated useful lives except for leasehold land and buildings which are amortised over their remaining leasehold period.

The principal annual rates used are as follows:

Leasehold land and buildings	-	30 to 99 years
Freehold buildings	-	2.0%
Motor vehicles	-	20.0%
Computer systems	-	12.5%
Furniture and fittings	-	10.0%
Telecommunications network	-	5.0% to 6.6%

(f) Inventories

Inventories are stated at the lower of cost (net of provision for obsolescence) and net realisable value and are determined on a weighted average basis. The costs of trading merchandise comprises purchase costs and other incidental costs, incurred in bringing the inventories to their present condition and location.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with licensed banks. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts, if any.

(h) Deferral of funding costs

Costs specifically incurred to obtain new funding for the purpose of retiring existing loans and finance further network expansion are deferred to the extent that these are recoverable out of future revenue.

The costs incurred are amortised over the tenor of the new loans and any unamortised portion will be written off proportionately as and when there is a prepayment of the outstanding loans.

(i) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(j) Foreign currency

Transactions in foreign currencies are translated into Ringgit Malaysia at rates approximating those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated into Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

The principal closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

	2001	2000
1 US Dollar	RM3.80	RM3.80
1 Swiss Franc	RM2.20	RM2.20
1 Gold Franc	RM1.57	RM1.64
1 Special Drawing Right	RM4.81	RM5.01

(k) Revenue

Net revenues include all sales of goods and services, net of rebates and discounts. Revenue is recognised when goods are delivered or services are rendered.

(l) Interest income

Interest income is recognised in the income statement as it accrues taking into account the effective yield on the asset.

(m) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred except those as mentioned in Note 1(h).

(n) Deferred expenditure

Deferred expenditure comprises preliminary expenses, pre-operating expenses and other material items of expenditure which are deferred to the extent that they are recoverable out of future revenue.

Expenses incurred prior to incorporation are classified as preliminary expenses while expenses incurred subsequent to incorporation are shown as pre-operating expenses. These expenses are amortised over a period of three to ten years from date of commencement of operations. Based on a re-assessment by the Directors of the subsidiary, the unamortised balance brought forward had been fully written off during the year.

Other deferred expenditure comprises marketing and product development expenses and license fees. Marketing and product development expenses are amortised over a period of not more than two years from the date incurred while license fees are amortised over the period of the licenses.

(o) Hire purchase obligations

Property, plant and equipment acquired under hire purchase agreements are capitalised at their purchase cost and depreciated over their estimated useful lives in accordance to the rates set out in Note 1(e). The total amount repayable under the hire purchase agreement is included under hire purchase creditors. The interest charges are allocated to the income statement over the period of the agreement using the straight line method.

(p) Trade receivables

Bad debts are written off in the year in which they are identified. Provisions are made for doubtful debts based on a review of all outstanding balances at the year end.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.5.2000 RM'000	Additions RM'000	Transfers RM'000	Written off/ Disposals RM'000	Balance at 30.4.2001 RM'000
Cost					
Freehold land and buildings	2,332	-	-	-	2,332
Leasehold land and buildings					
- long term	7,643	1,962	-	-	9,605
- short term	13,099	1,213	-	-	14,312
Motor vehicles	10,826	2,744	-	(807)	12,763
Computer systems	89,110	6,357	12,990	(36)	108,421
Furniture and fittings	20,511	4,013	-	(27)	24,497
Telecommunications network	1,395,329	122,742	364,476	(1,616)	1,880,931
Capital work-in-progress	48,969	368,439	(377,466)	-	39,942
	<u>1,587,819</u>	<u>507,470</u>	<u>-</u>	<u>(2,486)</u>	<u>2,092,803</u>

Accumulated depreciation	Balance at 1.5.2000 RM'000	Charge for the year RM'000	Written off/ Disposals RM'000	Balance at 30.4.2001 RM'000
Freehold land and buildings	163	47	-	210
Leasehold land and buildings				
- long term	287	80	-	367
- short term	1,362	282	-	1,644
Motor vehicles	8,577	1,475	(789)	9,263
Computer systems	19,614	11,754	(18)	31,350
Furniture and fittings	6,855	2,185	(3)	9,037
Telecommunications network	246,757	94,147	(1,152)	339,752
Capital work-in-progress	-	-	-	-
	<u>283,615</u>	<u>109,970</u>	<u>(1,962)</u>	<u>391,623</u>

	Net Book Value		Depreciation Charge	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Freehold land and buildings	2,122	2,169	47	44
Leasehold land and buildings				
- long term	9,238	7,356	80	73
- short term	12,668	11,737	282	279
Motor vehicles	3,500	2,249	1,475	2,201
Computer systems	77,071	69,496	11,754	9,857
Furniture and fittings	15,460	13,656	2,185	1,885
Telecommunications network	1,541,179	1,148,572	94,147	80,604
Capital work-in-progress	39,942	48,969	-	-
	<u>1,701,180</u>	<u>1,304,204</u>	<u>109,970</u>	<u>94,943</u>

Long term leasehold land and buildings comprise leasehold interests with an unexpired term in excess of 50 years.

All the assets of a subsidiary have been charged to financial institutions for banking facilities.

As at 30 April 2001, the Group has assets acquired under hire purchase arrangements with net book values amounting to RM5.6 million (2000 – RM7.7 million).

3. DEFERRED EXPENDITURE

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Preliminary and pre-operating expenses				
Balance as at 1 May 2000/1999	168	221	-	20
Less: Amount written off during the year	(168)	(53)	-	(20)
Balance as at 30 April	<u>-</u>	<u>168</u>	<u>-</u>	<u>-</u>
Other deferred expenditure				
Balance as at 1 May 2000/1999	39,090	79,083	-	-
Amount capitalised during the year	76,914	34,814	-	-
	<u>116,004</u>	<u>113,897</u>	<u>-</u>	<u>-</u>
Less: Amount written off during the year	(57,043)	(74,807)	-	-
Balance as at 30 April	<u>58,961</u>	<u>39,090</u>	<u>-</u>	<u>-</u>
Total	<u>58,961</u>	<u>39,258</u>	<u>-</u>	<u>-</u>

4. INVESTMENTS IN SUBSIDIARIES

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	526,501	526,501
Amount due from subsidiary company	575,374	575,767
	<u>1,101,875</u>	<u>1,102,268</u>

The amount due from the subsidiary company is unsecured, interest free and not repayable within the next twelve months. In addition, the amount due has been subordinated to the secured lenders of the subsidiary company.

Details of the subsidiary companies, which are incorporated in Malaysia, are as follows:

Name of Subsidiary	Principal activities	Group effective interest (%)	
		2001	2000
DiGi Telecommunications Sdn. Bhd.	Establishment, maintenance and provision of telecommunication and related services.	100	100
Subsidiaries of DiGi Telecommunications Sdn. Bhd.			
DiGi Services Sdn. Bhd.	Property holding and other related services.	100	100
Djuice.Com Sdn. Bhd.*	Dormant.	100	-

* As this subsidiary was newly incorporated on 19 December 2000 and no audited financial statements were required for the period ended 30 April 2001, management accounts were used for consolidation purposes.

5. INVENTORIES

	Group	
	2001 RM'000	2000 RM'000
Trading merchandise, at cost	17,176	6,630
	<u>17,176</u>	<u>6,630</u>

6. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	117,569	137,514	-	-
Less: Provision for doubtful debts	(22,942)	(33,539)	-	-
	<u>94,627</u>	<u>103,975</u>	<u>-</u>	<u>-</u>
Other receivables, deposits and prepayments	51,939	27,880	2	2
	<u>146,566</u>	<u>131,855</u>	<u>2</u>	<u>2</u>

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Deposits with licensed banks	199,330	167,700	-	-
Cash and bank balances	12,143	8,194	-	19
	<u>211,473</u>	<u>175,894</u>	<u>-</u>	<u>19</u>

8. TRADE AND OTHER PAYABLES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	64,632	78,204	-	-
Other payables and accrued expenses	431,283	333,189	281	409
Hire purchase creditors (see Note 9)	778	2,062	-	-
	<u>496,693</u>	<u>413,455</u>	<u>281</u>	<u>409</u>

Included in other payables and accrued expenses is an amount of RM207.8 million (2000 – RM194.8 million) relating to a creditor for equipment purchases which bears interest between 6.0% to 8.9% (2000 – 6.0% to 9.5%) per annum.

9. HIRE PURCHASE CREDITORS

	Group	
	2001 RM'000	2000 RM'000
Gross obligations	937	3,107
Less: Interest in suspense	(159)	(489)
	778	2,618
	778	2,062
Repayable within twelve months (Note 8)	778	2,062
Repayable after twelve months	-	556
	778	2,618
	778	2,618

10. BORROWINGS

	Group	
	2001 RM'000	2000 RM'000
Current		
Term loans		
- secured	-	30,302
- unsecured	-	100,000
Revolving credit	-	80,000
	-	210,302
	-	210,302
Non-current		
Syndicated term loan	490,906	-
Term loan	-	75,756
	490,906	75,756
	490,906	75,756

The syndicated term loan outstanding is part of the syndicated term loan facility of up to RM551.21 million secured during the year to refinance existing borrowings and to finance capital expenditure.

The syndicated term loan is repayable in eight half yearly unequal instalments over a period of four years commencing on 31 October 2002 and bears interest at 2% per annum above the banks' base lending rates.

The syndicated term loan is secured by:

- i) A fixed and floating charge over all the assets of a subsidiary company;
- ii) Corporate guarantee issued by the Company;
- iii) Pledgement of all the shares of a subsidiary company held by the Company; and
- iv) Negative pledge over all the assets of a subsidiary company.

The term loans of previous year bear interest at rates ranging from 5.10% to 10.15%. The revolving credit facility bears interest between 5.10% to 8.00%.

11. SHARE CAPITAL

	Group and Company	
	2001	2000
	RM'000	RM'000
Ordinary shares of RM1 each Authorised:	1,000,000	1,000,000
Issued and fully paid:		
Balance as at 1 May 2000/1999	750,000	500,000
Increase during the year 250,000,000 new ordinary shares of RM1 each	-	250,000
Balance as at 30 April	750,000	750,000

The shares issued in previous year rank pari passu in all aspects with the existing shares.

12. OPERATING PROFIT/(LOSS)

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) is arrived at after charging:				
Auditors' remuneration	78	60	11	9
Directors' remuneration				
- Fees	20	20	20	20
- Emoluments	222	20	-	-
Depreciation	109,970	94,943	-	-
Rental of land and buildings	24,583	20,818	-	-
Bad and doubtful debts	14,511	28,239	-	-
Amortisation of deferred expenditure	57,211	74,860	-	-
Realised loss on foreign exchange	-	405	-	-
Unrealised loss on foreign exchange	151	-	-	-
And crediting:				
Gain on disposal of property, plant and equipment	267	12	-	-
Unrealised gain on foreign exchange	-	817	-	-
Realised gain on foreign exchange	2,009	-	-	-

The estimated monetary value of Directors' benefits-in-kind is Nil (2000 – Nil).

13. EMPLOYEE INFORMATION

The number of employees of the Group and of the Company at the end of the year was 1,403 (2000 – 1,199) and Nil (2000 – Nil) respectively.

14. TAX EXPENSE

There is no tax charge for the Group in the current and previous year as the taxable income of the subsidiary is absorbed by brought forward and current capital allowances.

Subject to agreement by the Inland Revenue Board, the Group has potential net deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group	
	2001 RM'000	2000 RM'000
Unabsorbed capital allowances	(728,000)	(676,000)
Unutilised tax losses	(255,000)	(255,000)
Other timing differences	847,000	612,000
	(136,000)	(319,000)
	(136,000)	(319,000)

15. EARNINGS PER ORDINARY SHARE – GROUP

The calculation of earnings per share is based on the Group's net profit attributable to ordinary shareholders of RM190.0 million (2000 – RM23.2 million) and the weighted average number of ordinary shares outstanding during the year of 750.0 million (2000 – 681.3 million).

16. SEGMENTAL INFORMATION

The financial information by activity and geographical segment is not presented as the Group's activities are principally in the provision of telecommunication services and are conducted in Malaysia.

17. CONTINGENT LIABILITIES – UNSECURED

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Guarantees given by the subsidiary company to a financial institution for housing loans granted to its employees	215	240	-	-
Guarantees given by the Company to financial institutions for term loan facilities granted to its subsidiary company	-	-	551,000	100,000

18. COMMITMENTS

	Group	
	2001 RM'000	2000 RM'000
Capital expenditure commitments:		
Approved and contracted for	200,000	188,000
Approved but not contracted for	312,000	191,000

19. SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The following events took place subsequent to the balance sheet date:

- (i) full contracted payment of RM53.196 million for the provision of technology services to a subsidiary company has been made pursuant to the Technical Support Agreement ("TSA") dated 16 December 1999 entered into between the Company and Telenor Mobile Communications AS (formerly known as Telenor International AS), a substantial shareholder of the Company.
- (ii) a subsidiary company acquired a piece of freehold land for a total consideration of RM13.37 million from Berjaya Land Development Sdn. Bhd., a corporation in which a Director has an interest.

20. COMPARATIVE FIGURES

Following the adoption of MASB Standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified and/or expanded to ensure comparability with the current financial year.

list of properties

as at 30 April 2001

NO.	LOCATION	TENURE	DESCRIPTION/ EXISTING USE
1.	H.S. (D) No 92086 & 92087 P.T. No 9 & No 10 Pekan Seremban Jaya, Daerah Seremban, Negeri Sembilan	Freehold	Land with a building/ Telecommunications Centre
2.	Unit No 202-4-11 Sri Bandar Besi, Jalan Sungai Besi, Sungai Besi, Kuala Lumpur	Freehold	Apartment/Accommodation
3.	Unit No C16-2 Indera Subang UEP, Jalan UEP 6/2L, UEP Subang Jaya, Petaling Jaya	Freehold	Apartment/Accommodation
4.	No 1-16.2, 16th Floor Union Height, Taman Yan, Jalan Klang Lama, Kuala Lumpur	Freehold	Apartment/Accommodation
5.	3rd Floor Unit Pt 4888/4786 C, Block TC-14, Taman Sri Gombak, Jalan Batu Caves, Selangor	Freehold	Apartment/Accommodation
6.	4572, 7th Floor Sri Jelatek Condominiums, Section 10, Wangsa Maju, Kuala Lumpur	Freehold	Apartment/Accommodation
7.	32, PLO 151 Jln Angkasa Mas Utama Kawasan Perindustrian Tebrau II, 81100 Johor Bahru	30 years lease (expiring in 2023)	Land with a building/ Telecommunications Centre
8.	HS (D) 77, No. P.T. PTBM/A/081 Mukim 1, Kawasan Perusahaan Perai District Seberang Perai Tengah, Pulau Pinang	Leasehold 60 years (expiring in 2033)	Land with a building/ Telecommunications Centre
9.	Lot 36, Sedco Light Industrial Estate, Jalan Kelombong, Kota Kinabalu, Sabah	Leasehold 60 years (expiring in 2034)	Land with a building/ Telecommunications Centre
10.	Lot 1220, Section 66, Kuching Town, Land District	Leasehold 60 years (expiring in 2036)	Land with a building/ Telecommunications Centre
11.	No 112, Semambu Industrial Estate Kuantan, Pahang	Leasehold 66 years (expiring in 2041)	Land with a building/ Telecommunications Centre
12.	Unit 16-12-1, 12th Floor Cloud View Tower, Taman Supreme, Cheras, Kuala Lumpur	Leasehold 99 years (expiring in 2076)	Apartment/Accommodation
13.	Unit No M803, 8th Floor Sunrise Park, Ampang, Kuala Lumpur	Leasehold 99 years (expiring in 2088)	Apartment/Accommodation
14.	Part of Lot PT 11702 HS(D) 10654 Mukim 1, District Of Bentong, Pahang	Leasehold 99 years (expiring in 2091)	Land with a building/ Earth Station Complex
15.	Plot D-38 Taman Industri Prima Kota Fasa 1 Sector 3, Bandar Indera Mahkota, Kuantan, Pahang	Leasehold 99 years (expiring in 2097)	Land with switch and base station
16.	Ptd 1490, Mukim Of Jemaluang District Of Mersing, Johor Darul Takzim	Leasehold 99 years (expiring in 2098)	Land with trunk station
17.	PN 89926, Lot 191363 Mukim Hulu Kinta, Daerah Kinta, Negeri Perak	Leasehold 90 years (expiring in 2081)	Land with a building/ Telecommunications Centre
18.	Lot No 54, Jalan 6/2 Kawasan Perindustrian Seri Kembangan, 43000 Seri Kembangan	Leasehold 99 years (pending issuance of land title)	Land with a building/ Telecommunications Centre
19.	Lot 2728 Miri Concession Land District Lopeng, Miri	Leasehold 60 years (expiring in 2027)	Land with switch and trunk station

N/A denotes "Not Applicable"



list of properties

as at 30 April 2001

DATE OF ACQUISITION	AREA	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 30.4.2001 RM '000
29-12-1997	22,529 sq ft	3	858
26-01-1995	802 sq ft	5	119
04-02-1995	2,429 sq ft	7	634
25-01-1995	1,249 sq ft	6	238
29-03-1995	1,319 sq ft	5	90
07-02-1995	1,115 sq ft	5	185
12-05-1995	1.58 acres	6	1,470
23-03-1995	1 acre	26	2,265
12-06-1995	0.938 acre	20	2,402
15-08-1995	4,124 sq ft	5 1/2	2,120
07-07-1995	4 acres	18	2,442
08-02-1995	1,400 sq ft	12	203
22-03-1995	1,100 sq ft	9	105
07-08-1996	7.5 acres	6	6,208
14-11-1997	25,521 sq ft	3	417
17-08-1999	40,000 sq ft	N/A	121
15-07-1999	5,942 sq ft	1 1/2	224
23-05-2000	18,050 sq ft	11	1,960
29-09-2000	4,937 sq ft	N/A	1,203

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage	No. of Shares	Percentage
Less than 1,000	365	11.63%	104,626	0.01%
1,000 - 10,000	2,247	71.58%	5,183,574	0.69%
10,001 - 100,000	286	9.11%	11,075,311	1.48%
100,001 - 3,653,703	238	7.58%	394,798,784	52.64%
*Above 3,653,704	3	0.10%	338,837,705	45.18%
Total	3,139	100.00%	750,000,000	100.00%

Notes:

There is only one class of shares in the paid-up capital of the company. Each share entitles the holder to one vote.

* denotes 5% and above of the issued capital.

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. Of Shares	%
1.	CITICORP NOMINEES (ASING) SDN BHD TELENOR ASIA PTE LTD	247,000,000	32.93
2.	BERJAYA VTCY SDN BHD	48,238,294	6.43
3.	ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR BERJAYA VTCY SDN BHD (BK 7/729-3)	43,599,411	5.81
4.	ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN BHD ARAB-MALAYSIAN FINANCE BHD FOR TAN SRI DATO' SERI TAN CHEE YIOUN (7/623-8)	35,098,548	4.68
5.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PRIME CREDIT LEASING SDN BHD FOR ALAM NUSANTARA SDN BHD	32,867,100	4.38
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD DANAHARTA URUS SDN BHD FOR TAN SRI DATO' SERI TAN CHEE YIOUN	25,000,000	3.33
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD DANAHARTA URUS SDN BHD FOR BERJAYA VTCY SDN BHD (VTCY)	20,000,000	2.67
8.	PAB NOMINEE (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI TAN CHEE YIOUN	14,000,000	1.87
9.	SJ SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TENGGU RETHWAN BIN TENGGU MANSOR (CBSB)	13,507,000	1.80
10.	SCOTIA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR BERJAYA VTCY SDN BHD	12,636,000	1.68

statistics on shareholdings

as at 8 August 2001

11. CHASE MALAYSIA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DATUK TENGKU ADNAN BIN TENGKU MANSOR	11,000,000	1.47
12. MALPAC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DATO' AHMAD SEBI BIN BAKAR	10,436,290	1.39
13. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (MLF)	10,065,000	1.34
14. SCOTIA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI TAN CHEE YIOUN	9,000,000	1.20
15. INTER-PACIFIC SECURITIES SDN BHD IVT (9C55)	8,136,000	1.08
16. DATO' AHMAD SEBI BIN BAKAR	7,141,701	0.95
17. BERJAYA GENERAL INSURANCE BERHAD	7,108,000	0.95
18. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR BERJAYA VTCY SDN BHD	6,324,528	0.84
19. AMSEC NOMINEES (ASING) SDN BHD PLEGDED SECURITIES ACCOUNT FOR SURIN UPAPATTHANG KOON	6,000,000	0.80
20. ENG SECURITIES SDN BHD IVT A01	5,500,000	0.73
21. ARAB-MALAYSIAN NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TONG KOOI ONG (BK 7/812-5)	5,000,000	0.67
22. INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DATO' AHMAD SEBI BIN BAKAR	4,500,000	0.60
23. AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI TAN CHEE YIOUN	4,167,390	0.56
24. MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR DATUK TENGKU ADNAN BIN TENGKU MANSOR (414570223205)	4,024,548	0.54
25. CIMSEC NOMINEES (TEMPATAN) SDN BHD DANAHARTA MANAGERS SDN BHD FOR DATUK TENGKU ADNAN BIN TENGKU MANSOR (SUN MEDIA CORP)	4,000,000	0.53

statistics on shareholdings

as at 8 August 2001

26. HSBC NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	3,600,000	0.48
27. INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PRIME CREDIT LEASING SDN BHD FOR AHMAD FIZAL BIN OTHMAN	3,409,090	0.45
28. BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR MALPAC SECURITIES SDN BHD (3349 SBAN)	3,243,000	0.43
29. CHASE MALAYSIA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI TAN CHEE YIOUN	3,000,000	0.40
30. RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TAN SRI DATO' SERI TAN CHEE YIOUN (1731010)	3,000,000	0.40
	610,601,900	81.41

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	No. of shares			
	Direct Interest	%	Deemed Interest	%
1. Berjaya VTCY Sdn Bhd	130,798,233	17.44	-	-
2. Tan Sri Dato' Seri Tan Chee Yioun	89,853,644	11.98	157,567,319 (a)	21.01
3. Telenor Asia Pte Ltd	247,000,000	32.93	-	-
4. Telenor Mobile Communications AS (formerly known as Telenor International AS)	-	-	247,000,000 (b)	32.93

Notes:

(a) Deemed interested by virtue of his interest in Berjaya VTCY Sdn Bhd and deemed interests in Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd, Prime Credit Leasing Sdn Bhd, Berjaya General Insurance Berhad, Indah Corporation Berhad and Immediate Capital Sdn Bhd.

(b) Deemed interested by virtue of its 100% interest in Telenor Asia Pte Ltd.

DIRECTORS' SHAREHOLDINGS AS AT 8 AUGUST 2001

THE COMPANY	No. of shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Tan Chee Yioun	89,853,644	11.98	157,567,319	21.01

By virtue of his interests in the shares of the Company, Tan Sri Dato' Seri Tan Chee Yioun is deemed to be interested in the shares of the subsidiaries (as set out in Note 4 to the financial statements) to the extent the Company has an interest.

Save as disclosed, none of the Directors of the Company has any interests in the shares and debentures of the Company or its related corporations as at 8 August 2001.



notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of DiGi.Com Berhad will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 October 2001 at 10.00 a.m. for the following purposes:-

AGENDA

- | | | |
|---|--|--------------------------|
| 1 | To receive and adopt the audited financial statements of the Company for the year ended 30 April 2001 and the Directors' and Auditors' Reports thereon. | ORDINARY
RESOLUTION 1 |
| 2 | To approve the payment of Directors' Fees amounting to RM20,000. | ORDINARY
RESOLUTION 2 |
| 3 | To re-elect the following Directors: | |
| | a) Tan Sri Dato' Seri Tan Chee Yioun | ORDINARY
RESOLUTION 3 |
| | b) Chan Kien Sing | ORDINARY
RESOLUTION 4 |
| | c) Sigve Brekke | ORDINARY
RESOLUTION 5 |
| 4 | To re-appoint Tun Dato' Seri Dr Lim Chong Eu as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. | ORDINARY
RESOLUTION 6 |
| 5 | To re-appoint Datuk Paduka Dr Saleha Binti Mohamed Ali as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. | ORDINARY
RESOLUTION 7 |
| 6 | To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. | ORDINARY
RESOLUTION 8 |
| 7 | As special business: | |
| | To consider and, if thought fit, pass the following resolutions as Ordinary and Special Resolutions respectively: | |
| | ORDINARY RESOLUTION | |
| | - AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | |
| | "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." | ORDINARY
RESOLUTION 9 |
| | SPECIAL RESOLUTION | |
| | - PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION | |
| | "THAT the deletions, alterations, modifications, variations and additions to the Memorandum of Association of the Company as set in APPENDIX I be and are hereby approved." | SPECIAL
RESOLUTION 1 |

SPECIAL RESOLUTION
- PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION

"THAT the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set in APPENDIX II be and are hereby approved."

SPECIAL
RESOLUTION 2

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
12 September 2001

(A) NOTES ON APPOINTMENT OF PROXY:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If appointor is a corporation, this Form of Proxy must be executed under its common seal or under the hand of its attorney.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Registered Office of the Company at Level 17 Menara Shahzan Insas, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur, at least 48 hours before the time fixed for holding the Meeting or at any adjournment thereof.

(B) NOTES ON ORDINARY RESOLUTIONS 3, 4, 5, 6 and 7

The particulars of Directors who are standing for re-election/re-appointment are as follows:-

1. Tan Sri Dato' Seri Tan Chee Yioun (*please refer to Board of Directors' Profile on Page 5 and Statement of Directors' shareholdings on Page 87 of the Annual Report*).
2. Chan Kien Sing (*please refer to Board of Directors' Profile on Page 9 of the Annual Report*).
3. Sigve Brekke (*please refer to Board of Directors' Profile on Page 8 of the Annual Report*).
4. Tun Dato' Seri Dr Lim Chong Eu (*please refer to Board of Directors' Profile on Page 6 of the Annual Report*).
5. Datuk Paduka Saleha Binti Mohamed Ali (*please refer to Board of Directors' Profile on Page 7 of the Annual Report*).

(C) NOTES ON SPECIAL BUSINESS:

1. Ordinary Resolution 9
The proposed resolution is in relation to authority to allot shares pursuant to Section 132D of the Companies Act, 1965 and if passed will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued share capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. This authority, unless revoked or varied by the Company in general meeting, shall expire at the conclusion of the next Annual General Meeting of the Company.
2. Special Resolution 1
The proposed amendments to the Memorandum of Association are to comply with the Kuala Lumpur Stock Exchange Listing Requirements relating to provision of financial assistance. Please refer to the document marked APPENDIX I attached herewith for details of the proposed amendments.
3. Special Resolution 2
The proposed amendments to the Articles of Association are principally to incorporate the relevant requirements as provided in Chapter 7 of the Kuala Lumpur Stock Exchange Listing Requirements in relation to the articles of association of a listed company. Please refer to the document marked APPENDIX II attached herewith for details of the proposed amendments.



form of proxy

DiGi.Com Berhad

(Company No: 425190-X)
(Incorporated in Malaysia)

I/We _____

(Name in full)

I.C. or Company No. _____ CDS Account No. _____

of _____

(Address)

being a member/members of DiGi.COM BERHAD hereby appoint:

_____ I.C. No. _____

(Name in full)

(New and Old I.C. Nos.)

of _____

or failing him/her, the Chairman of the meeting as my/our proxy for me/us on my/our behalf, at the Fourth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 October 2001 at 10.00 a.m. or any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		
ORDINARY RESOLUTION 8		
ORDINARY RESOLUTION 9		
SPECIAL RESOLUTION 1		
SPECIAL RESOLUTION 2		

No. of shares

Signature of Shareholder(s)

Signed this _____ day of _____, 2001

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing. If appointor is a corporation, this Form of Proxy must be executed under its common seal or under the hand of its attorney.
3. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the Registered Office of the Company at Level 17 Menara Shahzan Insas, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur, at least 48 hours before the time fixed for holding the Meeting or at any adjournment thereof.

FOLD THIS FLAP FOR SEALING

**AFFIX
STAMP**

The Company Secretary
DiGi. Com Berhad
Level 17, Menara Shahzan Insas
30, Jalan Sultan Ismail
50250 Kuala Lumpur

2ND FOLD HERE

1ST FOLD HERE



List of Operating Offices

Head Office

Lot 30, Jalan Delima 1/3
Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor
Tel: 03-721 1800
Fax: 03-721 1857

Central Operating Offices

Lot 5, Jalan U1/15
Hicom Glemarie Industrial Park
40150 Shah Alam, Selangor
Tel: 03-721 1800
Fax: 03-721 1857

Lots 7 & 8, Jalan Delima 1/1
Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor
Tel: 03-721 1800
Fax: 03-721 1857

Lot 28, Jalan Delima 1/3
Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor
Tel: 03-721 1800
Fax: 03-721 1857

Regional Operating Offices

Northern Region

62, 1st Floor, Jalan Mayang Pasir 1
Off Jalan Mahsuri
11950 Bayan Baru, Pulau Pinang
Tel: 04-641 2800
Fax: 04-641 3800

Southern Region

8, Jalan Molek 1/12
Taman Molek
81100 Johor Bahru, Johor
Tel: 07-351 1800
Fax: 07-352 8016

Eastern Region

3, Jalan Tun Ismail
25000 Kuantan, Pahang
Tel: 09-508 0071
Fax: 09-508 0070

Sabah Region

Lot 36, SEDCO
Light Industrial Estate
Jalan Kolombong
88450 Inanam
Kota Kinabalu, Sabah
Tel: 088-431 800
Fax: 088-430 016

Sarawak Region

Lot 2087, Block 10,
Bangunan Kueh Boon Teck
Jalan Tun Ahmad Zaidi Adruce
93150 Kuching, Sarawak
Tel: 082-421 800
Fax: 082-427 597

DiGi Centres

Selangor

USJ
Subang Taipan, 19 & 21
Jalan USJ 10/1A, Subang Jaya
47610 Petaling Jaya, Selangor

SS2

24, Jalan SS2/66
47300 Petaling Jaya, Selangor

Selayang Baru

57, Jalan 2/3A
Pasar Borong Selayang
Off Jalan Ipoh
68100 Batu Caves, Selangor

Klang

90, Batu 1-1/2, Jalan Meru
41050 Klang, Selangor

Kuala Lumpur

Pandan Indah
M5A/13, Jalan Pandan Indah 4/1
Taman Pandan Indah
55100 Kuala Lumpur

Jalan Sultan Ismail

Lot 3, Level 1,
Menara Shahzan Insas
30, Jalan Sultan Ismail
50250 Kuala Lumpur

KL Plaza

Lot S26-30, 2nd Floor, KL Plaza
179, Jalan Bukit Bintang
55100 Kuala Lumpur

Pahang

Kuantan
3, Jalan Tun Ismail
25000 Kuantan, Pahang

Penang

Pulau Tikus
368-1-02, Jalan Burmah
10350 Pulau Tikus, Pulau Pinang

Seberang Jaya

8, Ground Floor, Jalan Todak Dua
Pusat Bandar, Bandar Seberang Jaya
13700 Prai, Pulau Pinang

Bukit Jambul

6B-C-D, Jalan Tun Dr. Awang
Bukit Jambul Shop House
11900 Pulau Pinang

Melaka

Melaka
523, Taman Melaka Raya
75000 Melaka

Johor

Taman Molek
8, Jalan Molek 1/12
Taman Molek
81100 Johor Bahru, Johor

Jalan Tun Abdul Razak

64, Ground Floor
Jalan Tun Abdul Razak, Susur1
80000 Johor Bahru, Johor

Batu Pahat

18, Jalan Kundang
Taman Bukit Pasir
83100 Batu Pahat, Johor

Perak

Ipoh
40, Medan Istana
Bandar Ipoh Raya
30000 Ipoh, Perak

Negeri Sembilan

Seremban
301, Taman AST
70200 Seremban
Negeri Sembilan

Sabah

Kota Kinabalu
Lot 5/G3, Ground & 1st Floors
Api-Api Centre
88000 Kota Kinabalu, Sabah

Sarawak

Kuching
Lot 2087, Block 10
Bangunan Kueh Boon Teck
Jalan Tun Ahmad Zaidi Adruce
93150 Kuching, Sarawak

Miri

Lot 938, Ground & 1st Floors
Jalan Pos, 98000 Miri, Sarawak

Sibu

13, Ground & 1st Floors
Lorong Kampung Datu 3
96000 Sibu, Sarawak

24-hour DiGi Customer Service Line : 016-221 1800

DiGi.Com Berhad (425190-X)
Lot 30, Jalan Delima 1/3
Subang Hi-Tech Industrial Park
40000 Shah Alam, Selangor

Mailing Address:
P.O. Box 7551
40718 Shah Alam, Selangor

Tel: 03-721 1800
Fax: 03-721 1857
www.digi.com.my



DiGi.COM BERHAD

(Company No: 425190-X)
(Incorporated in Malaysia)

APPENDICES I AND II

in relation to the

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES
OF ASSOCIATION AS SET OUT IN NOTES C (2) AND (3) OF THE
NOTICE OF ANNUAL GENERAL MEETING DATED 12 SEPTEMBER 2001**

PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF DiGi.COM BERHAD

The Memorandum of Association of the Company is proposed to be amended in the following manner:-

1. Clause 3(52)

- i) To delete the words "either with or without the Company receiving any consideration or advantage (direct or indirect) and" as appearing in Line 1 and 2 of the said clause;
- ii) To add the words "of the Company" immediately after the word "subsidiary" as appearing in the second last line of the said clause; and
- iii) To delete the words "of the Company's holding company" as appearing in the last line of the said clause and substituting it with "or an associated company".

AND that the amended clause 3(52) shall read as follows:-

3(52) "To guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company, or by both such methods, the performance of the contracts or obligations and the repayment or payment of the principal and premium of and interests and dividends on any securities or obligations of any person or persons or of any company, whether or not having objects or engaged or intending to engage in business similar to those of the Company, including (without limitation) any company which is for the time being associated or allied with the Company in business or which is the holding company or a subsidiary **of the Company** (as defined in Section 5 of the Companies Act, 1965) **or an associated company.**"

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:-

1. Article 2

The existing definitions in Article 2 of the Articles of Association be amended in the following manner:-

“Rules The Rules of the Central Depository for the time being in force and as amended from time to time.”

The following definitions be incorporated to the existing Article 2:-

“Approved A stock exchange which is specified to be an Market Place approved market place in the Securities Industry (Central Depositories) Exemption (No.2) Order, 1998.

Authorised A person who is authorised to act as specified Nominee under the Rules.

Listing The Listing Requirements of Kuala Lumpur Stock Requirements Exchange including any amendments to the Listing Requirements that may be made from time to time.”

2. **Article 5(b)**

Article 5(b) of the Articles of Association is amended by deleting the words “at the time of such issue” as appearing in Line 3 of the said article and substituting it with “at any time” AND that the amended Article 5(b) shall read as follows:-

5(b) No issue of preferred shares shall be made which would result in the total nominal value of issued preferred shares exceeding the total nominal value of the issued ordinary shares **at any time**.

3. **Article 7**

Article 7 of the Articles of Association is amended by:-

- i) deleting the words “balance sheets” as appearing in Line 2 of the said article and substituting it with “audited accounts”;
- ii) inserting the words “or during the winding-up of the Company” after the words “winding-up” as appearing in Line 4 of the said article; and
- iii) deleting the words “sanctioning a sale of the undertaking” as appearing in Line 4 of the said article and substituting it with “disposing of the whole of the Company’s property, business and undertaking”.

AND that the amended Article 7 shall read as:-

7. “Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and **audited accounts** and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up **or during the winding up of the Company or disposing of the whole of the Company’s property, business and undertaking** or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six (6) months.”

4. **Article 7A**

The following new Article 7A be inserted immediately after Article 7:-

7A. "Preference shareholders shall also be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up."

5. **Article 26**

Article 26 of the Articles of Association is amended by deleting in its entirety and substituting with the new Article 26 as follows:-

26. "The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities."

6. **Article 27(1)**

Article 27(1) of the Articles of Association is amended by inserting the phrase "and/or the Record of Depositors, as the case may," immediately after the word "Register" as appearing in Line 3 of the said article AND that the amended Article 27(1) shall read as follows:-

27(1). "The instrument of transfer of a share shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register **and/or the Record of Depositors, as the case may,** in respect thereof."

7. **Article 32**

Article 32 of the Articles of Association is amended by deleting the word "eighteen (18)" as appearing in Line 3 of the said article and substituting it with "twelve (12)" AND that the amended Article 32 shall be read as follows:

32. "The registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. At least **twelve (12)** market days' notice of such closure shall be given by advertisement in the daily press and to the Exchange stating the period and the purpose or purposes of such closure. The Company shall give notice to the Central Depository in accordance with the Rules to enable the Central Depository to prepare the appropriate Record of Depositors."

8. **Article 35A**

The following new Article 35A be inserted immediately after Article 35:-

- 35A.** “(1) “Where :-
- (a) the securities of the Company are listed on an Approved Market Place; and
 - (b) the Company is exempted from compliance with section 14 of the Securities Industry (Central Depositories) Act 1991 or section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,
- the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as “the Foreign Register”), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such securities.
- (2) For the avoidance of doubt and notwithstanding the fulfilment of the requirements of subparagraphs (1)(a) and (b) above, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.”

9. **Article 49A**

Article 49A of the Articles of Association is amended by deleting the words "and may from time to time, in like manner, provide financial assistance to any person or persons for the purpose of purchasing its shares." as appearing in Line 2 of the said article AND that the new Article 49A shall read as follows:-

49A. "Subject to the provisions of the Act, the Company may from time to time, by ordinary resolution of a general meeting, purchase its own shares."

10. **Article 54(1)**

Article 54(1) of the Articles of Association is amended by:-

- (i) adding the phrase "An annual general meeting or" at the beginning of the said article;
- (ii) deleting the words "fifteen (15) market days" as appearing in Line 1 of the said article and substituting it with "21 days";
- (iii) deleting the words "ten (10) market days" as appearing in Line 3 of the said article and substituting it with "14 days";
- (iv) inserting the phrase "as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors")." immediately after the words "the Records of Depositors" as appearing in Line 4 of Article 54(1)(b); and
- (v) inserting the phrase "Subject to the Securities Industry (Central Depositories)(Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors." as new Article 54(1)(c) immediately after Article 54(1)(b).

AND that the amended Article 54(1) shall read as follows:-

54(1). **"An annual general meeting or** a meeting called for the passing of a special resolution shall be called by **21 days'** notice in writing at the least. Any other meeting of the Company shall be called by **14 days'** notice in writing to all members at the least, specifying the place, the day and hour of meeting. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if so agreed by all the members entitled to attend and vote at such meeting.

- (a) The Company shall be by written request made in duplicate in the prescribed form, request the Central Depository in accordance with the Rules, to prepare the Record of Depositors to whom notices of general meetings shall be given by the Company.
- (b) The Company shall inform the Central Depository of the dates of general meetings and shall in written request made in duplicate in the prescribed form, request the Central Depository in accordance with the Rules, to prepare the Record of Depositors, **as at a date not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors")**. The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings.
- (c) **Subject to the Securities Industry (Central Depositories)(Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors."**

11. **Article 54(2)**

Article 54(2) of the Articles of Association is amended by deleting the phrase "At least ten market days' notice" as appearing at the last sentence of the said article and substituting it with the sentence "At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting" AND that the amended Article 54(2) shall read as follows:-

54(2) "The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement of the general nature of the business and the effect of any proposed resolution in respect of such special business. **At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting** shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed."

12. **Article 65**

Article 65 of the Articles of Association is amended by inserting the words "and Articles 54(1) above" immediately after the words "the Company" as appearing in Line 3 of the said article AND that the amended Article 65 shall read as follows:-

65. "Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company **and Articles 54(1) above**, every member present in person or by proxy or represented by attorney shall have one vote on a show of hands and upon a poll every such member shall have one vote for every share held by him. A proxy or attorney need not be a member of the Company."

13. **Article 65A**

To insert the following new Article 65A immediately after Article 65:-

65A "A member may appoint a proxy to attend at a general meeting of the Company and the proxy shall be entitled to vote on a show of hands."

14. **Article 65B**

The following new Article 65B be inserted immediately after the new Article 65A:-

65B. "Where a member of the Company is an Authorised Nominee, it may appoint one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account."

15. **Article 65C**

The following new Article 65C be inserted immediately after the new Article 65B:-

65C. "Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such rights is exercised."

16. **Article 73**

Article 73 of the Articles of Association is amended by deleting the word "twelve" as appearing in Line 4 of the said article and substituting it with "thirteen" AND THAT the amended Article 73 shall read as follows:-

73. "The Company in general meeting may, subject to the provisions of these Articles, from time to time appoint new Directors, and may increase or reduce the number of Directors in office, and may alter their qualifications. Until otherwise determined by a general meeting, the number of Directors shall not be less than two and not more than **thirteen**".

17. **Article 78(C)**

Article 78(C) of the Articles of Association is amended by deleting in its entirety and substituting with the following new Article 78(C):-

78(C). "If he is absent from more than 50% of the total board of directors' meetings held during a financial year of the Company."

18. **Article 79(1)**

Article 79(1) of the Articles of Association is amended by inserting the sentence "The Managing Director(s) or the Executive Director(s) shall be subject to the control of the Board of Directors." immediately after sub-item (b) of the said article AND that the amended Article 79(1) shall read as follows:-

79(1). "The Directors may from time to time appoint one or more of their body to be:-

(a) the Managing Director or Managing Directors,

(b) the Executive Director or Executive Directors.

The Managing Director or Managing Directors or the Executive Director or Executive Directors shall be subject to the control of the Board of Directors."

19. **Article 79(2)**

Article 79(2) of the Articles of Association is amended by deleting the word "five (5)" as appearing in Line 1 of said article and substituting it with "three (3)" AND that the amended Article 79(2) shall read as follows:-

79(2). "Any such appointment or appointments shall be for a fixed term not exceeding **three (3)** years at any one time, with power to the Directors to reappoint thereafter, at such remuneration and upon such terms as the Directors think fit and the Directors may entrust to and confer upon such appointee or appointees any of the power exercisable by them as Directors upon such terms and conditions and with such restriction as they think fit and may from time to time revoke, withdraw or vary all or any of such power."

20. **Article 79(4)**

Article 79(4) of the Articles of Association is amended by deleting in its entirety and substituting with the new Article 79(4) as follows:-

79(4). "The Managing Director or Managing Directors or Executive Director or Executive Directors shall, even though he or they may continue to hold such office, be subject to retirement by rotation and be taken into account in determining the rotation or retirement of Directors pursuant to Article 98A. In addition thereto, he or they shall be subject to the provisions of any contract between him and the Company and the same provisions as to resignation and removal from office as the other Directors of the Company and if he shall cease to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director or Managing Directors or Executive Director or Executive Directors."

21. Article 82(A)

Article 82(A) of the Articles of Association is amended by deleting in its entirety and substituting with the following new Article 82(A):-

82(A). "The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any person or persons or of any company, whether or not having objects or engaged or intending to engage in business similar to those of the Company, including (without limitation) any company which is for the time being associated or allied with the Company in business or which is the holding company or a subsidiary (as defined in Section 5 of the Act) or an associated company."

22. Article 89

Article 89 of the Articles of Association is amended by deleting in its entirety and substituting with the following new Article 89:-

89. "The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of the business. Unless otherwise determined, two shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman, Deputy

Chairman or any other director so appointed pursuant to Article 91 shall not have a second or casting vote. In the case of matters requiring urgent resolution or, if for any reason it is impracticable for the directors to meet in accordance with this Article 89, the directors may, if they think fit, confer instead by radio, telephone, closed circuit television or other electronic means of audio or audio-visual communication AND a resolution passed by such a conference will, despite the fact that the directors are not physically present together in one place at the time of the conference, be deemed to have been passed at a meeting of the directors held on the day on which and at the time at which the conference was held. A resolution agreed to during the course of such proceedings shall be recorded in writing and in due course signed by each of the participating directors and shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted."

23. Article 98(A)

Article 98(A) of the Articles of Association is amended by deleting the words "except the managing Director" as appearing in Line 4 of the said article AND that the amended Article 98(A) shall read as follows:-

98(A). "At the annual general meeting in every year, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office. A retiring Director shall be eligible for re-election PROVIDED ALWAYS that all Directors shall be relieved from office once at least in each three (3) years subject to re-election."

24. Article 112

Article 112 of the Articles of Association is amended by deleting in its entirety and substituting with the following new Article 112:-

112. "The directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are referred to in the said Section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months from the close of the financial year of the Company. A copy of each of such

documents shall not less than twenty-one (21) days before the date of the meeting be sent to every member of and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such documents as may be required by the Stock Exchange shall at the same time be likewise sent to the Stock Exchange. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office."

25. **Article 122**

Article 122 of the Articles of Association is amended by deleting the words "be ratified" immediately after the word "shall" as appearing in Line 4 of the said article and substituting it with "have been approved" AND that the amended Article 122 shall read as follows:-

122. "In the event of there being a sale of all or any of the Company's assets on a voluntary liquidation of the Company no commission or fees or other remuneration shall be payable to any Director or liquidator in respect of any such sale on liquidation unless the payment thereof shall **have been approved** by the members by resolution at an extraordinary general meeting. Specific notice of any such proposed payment and the amount thereof shall be given to the members in the notice convening the meeting at which such proposed payment is to be considered and such notice shall be given not less than seven days before the meeting is to be held."

26. **Article 124**

Article 124 of the Articles of Association is amended by deleting the word "written" as appearing in the Line 1 of the said article and deleting the word "the Stock Exchange" as appearing in the last line of the said Article and substituting it with "the shareholders" AND that the amended Article 124 shall read as follows:-

124. "These Articles shall not be amended, added to or deleted without prior approval of **the shareholders.**"

27. **Article 125**

The following new Article 125 be inserted immediately after Article 124:-

EFFECTS OF THE LISTING REQUIREMENTS

125. (1) **“Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.**
- (2) **Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.**
- (3) **If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).**
- (4) **If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.**
- (5) **If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.**
- (6) **If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.**