

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

**Date:** 20 July 2006

**Subject:** **INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
AND HALF YEAR ENDED 30 JUNE 2006**

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**CONDENSED CONSOLIDATED INCOME STATEMENTS**

|   | INDIVIDUAL QUARTER<br>CURRENT<br>YEAR<br>QUARTER<br>30 JUNE 2006<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30 JUNE 2005<br>RM'000 | CUMULATIVE QUARTER<br>CURRENT<br>YEAR<br>TO-DATE<br>30 JUNE 2006<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>30 JUNE 2005<br>RM'000 |
|---|--|--|--|---|
| <b>Revenue</b>  | <b>903,690</b>   | <b>685,886</b>   | <b>1,764,995</b>   | <b>1,311,781</b>  |
| Other income  | 925  | 508  | 1,243  | 893   |
| Depreciation and<br>amortisation                            | (135,237)  | (132,427)  | (273,251)  | (306,006)   |
| Other expenses  | (495,017)  | (389,755)  | (966,612)  | (740,923)   |
| Finance costs   | (3,763)  | (8,559)  | (7,510)  | (27,566)  |
| Interest Income   | 10,012   | 3,659  | 19,015   | 5,918   |
| <b>Profit before taxation</b>                               | <b>280,610</b>   | <b>159,312</b>   | <b>537,880</b>   | <b>244,097</b>  |
| Taxation  | (80,006)   | (45,816)   | (152,609)  | (72,640)  |
| <b>Profit for the period</b>                                | <b>200,604</b>   | <b>113,496</b>   | <b>385,271</b>   | <b>171,457</b>  |
| Attributable to:<br>Equity holders of the parent<br>Company | <b>200,604</b>   | <b>113,496</b>   | <b>385,271</b>   | <b>171,457</b>  |
| Earnings per share (sen)                                    |  |  |  |   |
| - Basic   | 26.7   | 15.1   | 51.4   | 22.9  |
| - Diluted   | NA   | NA   | NA   | NA  |

(The Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 10)

Note : NA denotes "Not Applicable"

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | <b>AT<br/>30 JUNE 2006<br/>RM'000</b> | <b>AT<br/>31 DECEMBER 2005<br/>RM'000</b> |
|--|---------------------------------------|---|
| <b>Non-Current assets</b>  |                                       |   |
| Property, plant and equipment  | 2,679,326                             | 2,701,435                                 |
| Prepaid lease payments   | 12,828                                | 12,940                                    |
| Intangible assets  | 103,985                               | 111,825                                   |
| Deferred expenditure   | 498                                   | 528                                       |
|  | <u>2,796,637</u>                      | <u>2,826,728</u>                          |
| <b>Current assets</b>  |                                       |   |
| Inventories  | 10,493                                | 8,197                                     |
| Trade and other receivables  | 210,252                               | 214,432                                   |
| Cash and cash equivalents  | 1,103,947                             | 1,182,962                                 |
|  | <u>1,324,692</u>                      | <u>1,405,591</u>                          |
| <b>TOTAL ASSETS</b>  | <u>4,121,329</u>                      | <u>4,232,319</u>                          |
| <b>Capital and Reserves</b>  |                                       |   |
| Share capital  | 187,500                               | 750,000                                   |
| Reserves   | 1,883,419                             | 1,498,148                                 |
| <b>Total equity – attributable to equity holders of<br/>parent Company</b> | <u>2,070,919</u>                      | <u>2,248,148</u>                          |
| <b>Non-Current liabilities</b>   |                                       |   |
| Borrowings   | 300,000                               | 300,000                                   |
| Deferred tax liabilities   | 357,529                               | 371,518                                   |
| Provision for liabilities  | 10,097                                | 10,030                                    |
|  | <u>667,626</u>                        | <u>681,548</u>                            |
| <b>Current liabilities</b>   |                                       |   |
| Trade and other payables   | 926,449                               | 1,007,281                                 |
| Provision for liabilities  | 39,813                                | 73,309                                    |
| Deferred revenue   | 256,880                               | 220,772                                   |
| Current tax payable  | 159,642                               | 1,261                                     |
|  | <u>1,382,784</u>                      | <u>1,302,623</u>                          |
| <b>Total liabilities</b>   | <u>2,050,410</u>                      | <u>1,984,171</u>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>4,121,329</u>                      | <u>4,232,319</u>                          |
| <b>Net Assets Per Share (RM)</b>   | <u>2.76</u>                           | <u>3.00</u>                               |

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 10)

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|  | ----- Attributable to equity holders of the parent Company----- |  |  |                         |
|--|---|--|--|-------------------------|
|  | <b>Share Capital<br/>RM'000</b>                                 | <b>Non-<br/>Distributable<br/>Share Premium<br/>RM'000</b> | <b>Distributable<br/>Retained Profits<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| At 1 January 2006  | 750,000   | 352,651  | 1,145,497  | 2,248,148               |
| Profit for the period<br>representing total<br>recognised income and<br>expense for the period | -   | -  | 385,271  | 385,271                 |
| Capital reduction of RM0.75<br>per ordinary share  | (562,500)   | -  | -  | (562,500)               |
| At 30 June 2006  | <u>187,500</u>  | <u>352,651</u>   | <u>1,530,768</u>                                     | <u>2,070,919</u>        |
| <br>   |   |  |  |                         |
| At 1 January 2005  | 750,000   | 352,651  | 674,542  | 1,777,193               |
| Profit for the period<br>representing total<br>recognised income and<br>expense for the period | -   | -  | 171,457  | 171,457                 |
| At 30 June 2005  | <u>750,000</u>  | <u>352,651</u>   | <u>845,999</u>                                       | <u>1,948,650</u>        |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 10)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

|   | <b>SIX MONTHS ENDED<br/>30 JUNE 2006<br/>RM'000</b> | <b>SIX MONTHS ENDED<br/>30 JUNE 2005<br/>RM'000</b> |
|---|---|---|
| <b>Cash flows from operating activities</b>                 |   |   |
| Profit before taxation                                      | 537,880   | 244,097   |
| Adjustments for :   |   |   |
| Non-cash items  | 363,633   | 374,645   |
| Finance costs   | 7,510   | 27,566  |
| Interest income   | (19,015)  | (5,918)   |
| Operating profit before working capital changes             | 890,008   | 640,390   |
| Changes in working capital:                                 |   |   |
| Net change in current assets                                | (4,032)   | (16,362)  |
| Net change in current liabilities                           | (44,945)  | 10,048  |
| <b>Cash generated from operations</b>                       | 841,031   | 634,076   |
| Interest paid   | (7,330)   | (17,656)  |
| Payments for provision for liabilities                      | (117,857)   | (69,449)  |
| Taxes paid  | (8,217)   | -   |
| <b>Net cash generated by operating activities</b>           | 707,627   | 546,971   |
| <b>Cash flows from investing activities</b>                 |   |   |
| Purchase of property, plant and equipment                   | (232,412)   | (171,736)   |
| Purchase of intangible assets                               | (9,636)   | (315)   |
| Interest received   | 17,868  | 6,174   |
| Proceeds from disposal of property, plant and equipment     | 38  | 5   |
| <b>Net cash used in investing activities</b>                | (224,142)   | (165,872)   |
| <b>Cash flows from financing activities</b>                 |   |   |
| Proceeds from bank borrowings                               | -   | 300,000   |
| Repayment of bank borrowings                                | -   | (679,854)   |
| Capital repayment   | (562,500)   | -   |
| <b>Net cash used in financing activities</b>                | (562,500)   | (379,854)   |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | (79,015)  | 1,245   |
| <b>Cash and cash equivalents at beginning of year</b>       | 1,182,962   | 634,719   |
| <b>Cash and cash equivalents at end of period</b>           | 1,103,947   | 635,964   |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 10)

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 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 2005.

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 2005 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for the financial period beginning on 1 January 2006:

|         |  |
|---------|--|
| FRS 101 | Presentation of Financial Statements                 |
| FRS 102 | Inventories  |
| FRS 108 | Accounting Policies, Changes in Estimates and Errors |
| FRS 110 | Events after the Balance Sheet Date                  |
| FRS 116 | Property, Plant and Equipment                        |
| FRS 121 | The Effects of Changes in Foreign Exchange Rates     |
| FRS 127 | Consolidated and Separate Financial Statements       |
| FRS 132 | Financial Instruments: Disclosure and Presentation   |
| FRS 133 | Earnings Per Share                                   |
| FRS 136 | Impairment of Assets                                 |
| FRS 138 | Intangible Assets                                    |

In addition to the above, the Group has also taken the option of early adoption of revised FRS 117 Leases for the financial period beginning on 1 January 2006.

The adoption of FRS 102, 108, 110, 116, 121, 127, 132, 133 and 136 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new or revised FRSs are summarised as below:

**(a) FRS 101 : Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of the condensed consolidated income statements, balance sheets and statements of changes in equity with additional disclosure on the amount attributable to equity holders of the parent Company, and statements of changes in equity also showing the total recognised income and expense for the period.

The current period's presentation of the Group's financial statements is based on the requirements of the revised FRS 101, with the comparatives restated to conform with the current period's presentation.

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

**A1. Basis of Preparation – cont'd**

**(b) FRS 117 : Leases**

The adoption of the revised FRS 117 has resulted in retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation. Upon the adoption of the revised FRS 117 at 1 January 2006, the unamortised carrying amount of RM12.9 million is reclassified from property, plant and equipment to prepaid lease payments as allowed by the transitional provisions of FRS 117. The comparative amount as at 31 December 2005 has been restated.

**(c) FRS 138 : Intangible Assets**

With the adoption of the new FRS 138, the Group changed the classification of computer software costs as intangible assets, where the software is not an integral part of the related hardware. The reclassification from property, plant and equipment to intangible assets was based on the carrying amounts of the computer software costs of RM76.7 million as at 1 January 2006. The comparative figures had been reclassified to conform with the current period's presentation.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The latest audited financial statements for the financial year ended 31 December 2005 were not subject to any qualification.

**A3. Seasonality or Cyclicity of Interim Operations**

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

**A4. 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 are unusual because of their nature, size or incidence for the current quarter and financial year-to-date ended 30 June 2006.

**A5. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim period of current financial year or in the prior financial years that have a material effect in the current quarter and financial year-to-date ended 30 June 2006.

**A6. Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date ended 30 June 2006 except for the capital repayment of RM0.75 for every ordinary share of the Company via share capital reduction pursuant to Section 64 of the Companies Act, 1965 executed on 18 May 2006.

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

**A7. Dividend Paid**

No dividend has been paid for the current quarter and financial year-to-date ended 30 June 2006.

**A8. Segment Information**

Segment information is presented in respect of the Group's business segment. The segment revenue and segment result by business segment for the financial year-to-date ended 30 June 2006 were as follows:

|                               | <b>Mobile<br/>RM'000</b> | <b>Wholesale<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|-------------------------------|--------------------------|-----------------------------|--------------------------|-------------------------------|--------------------------------|
| <b>Total Revenue</b>          |                          |                             |                          |                               |                                |
| External                      | 1,681,774                | 71,483                      | 11,738                   | -                             | 1,764,995                      |
| Inter-segment *               |                          |                             | 72                       | (72)                          | -                              |
| <b>Total Revenue</b>          | <u>1,681,774</u>         | <u>71,483</u>               | <u>11,810</u>            | <u>(72)</u>                   | <u>1,764,995</u>               |
| <b>Segment Result</b>         | 521,972                  | 34,621                      | 2,365                    | (15)                          | 558,943                        |
| Unallocated expenses          |                          |                             |                          |                               | (21,063)                       |
| <b>Profit before taxation</b> |                          |                             |                          |                               | <u>537,880</u>                 |

\* *Inter-segment pricing carried out in the Group are based on an arms-length basis.*

**A9. Property, Plant and Equipment**

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

**A10. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the current quarter ended 30 June 2006 up to the date of this report.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year-to-date ended 30 June 2006 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**A12. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2005.



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

**A13. Capital Commitments**

|   | <b>Group<br/>30 June 2006<br/>RM'000</b> |
|---|--|
| <b>In respect of property, plant and equipment:</b> |  |
| Approved and contracted for                         | <u>443,000</u>                           |
| Approved but not contracted for                     | <u>394,000</u>                           |

**A14. Related Party Transactions**

The related party transactions of the Group have been entered into in the normal course of business and have been established under the terms that are no less favorable than those arranged with independent third parties. Other than those inter-company transactions, listed below are those significant transactions and balances with related parties of the Group during the current six-month period:

|  | <b>Transactions for the<br/>six months ended<br/>30 June 2006<br/>RM'000</b> | <b>Balance<br/>due from/(to) at<br/>30 June 2006<br/>RM'000</b> |
|--|--|---|
| <i>With fellow subsidiary companies</i>                          |  |   |
| - <i>Telenor Global Services AS</i>                              |  | (609)   |
| Sales of interconnection services<br>on international traffic    | 78   |   |
| Purchase of interconnection services<br>on international traffic | 1,252  |   |
| - <i>Telenor Pakistan (Private) Limited</i>                      |  | 763   |
| Sales of interconnection services<br>on international traffic    | 957  |   |
| Purchase of interconnection services<br>on international traffic | 610  |   |
| - <i>Total Access Communication<br/>Public Company Limited</i>   |  | (628)   |
| Sales of roaming services  | 163  |   |
| Purchase of roaming services                                     | 1,122  |   |
| - <i>Telenor Consult AS</i>                                      |  | (185)   |
| Personnel services payable                                       | 5,512  |   |
| - <i>Telenor ASA</i>   |  | (5,895)   |
| Professional fees payable  | 5,655  |   |
|  |  |   |

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

**A14. Related Party Transactions – Cont'd**

|  | <b>Transactions for the<br/>six months ended<br/>30 June 2006<br/>RM'000</b> | <b>Balance<br/>due from/(to) at<br/>30 June 2006<br/>RM'000</b> |
|--|--|---|
| <i>With companies in which Tan Sri Dato' Seri Vincent Tan Chee Yioun (TSVT)* is deemed to have an interest</i> |  |   |
| - <i>Berjaya General Insurance Bhd.</i><br>Insurance premiums paid   | 1,011  | -   |
| - <i>Berjaya Registration Services Sdn. Bhd.</i><br>Printing and mailing services payable                      | 3,810  | (1,770)   |
| - <i>Convenience Shopping Sdn. Bhd.</i><br>Sales of prepaid cards and reload coupons                           | 65,676   | 16,002  |
| - <i>Convenience Shopping (Sabah) Sdn. Bhd.</i><br>Sales of prepaid cards and reload coupons                   | 1,573  | 379   |
| - <i>Cosway (M) Sdn. Bhd.</i><br>Sales of prepaid cards and reload coupons                                     | 1,184  | 558   |
| - <i>MOL AccessPortal Bhd.</i><br>Sales of soft pins   | 1,440  | -   |
| - <i>Cosmo's World Theme Park Sdn. Bhd.</i><br>Sponsorship rights payable                                      | 500  | -   |
|  | _____  | _____   |

\*TSVT ceased to be a substantial shareholder on 20 October 2005. However, pursuant to the Listing Requirements, he is a substantial shareholder for the preceding 12 months of the date on which the terms of the transactions were entered upon.

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

**A15. Comparatives**

The following comparatives have been restated due to the adoption of revised FRS or have been reclassified to conform with the current year's presentation:

|                                |                | <b>Group</b>                                    |   |
|--------------------------------|----------------|---|---|
|                                | <b>Note A1</b> | <b>As restated/<br/>reclassified<br/>RM'000</b> | <b>Previously<br/>stated<br/>RM'000</b> |
| <b>Balance sheets</b>          |                |   |   |
| <b>Non-current assets</b>      |                |   |   |
| Property, plant and equipments | (b),(c)        | 2,701,435                                       | 2,791,060                               |
| Prepaid lease payments         | (b)            | 12,940  | -                                       |
| Intangible assets              | (c)            | 111,825   | 35,140                                  |
|                                |                | <hr/> <hr/>                                     | <hr/> <hr/>                             |

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B)**

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

***Year-to-date (YTD) 30.06.06 versus YTD 30.06.05***

The Group achieved profit before taxation ("PBT") of RM537.9 million for the six months ended 30 June 2006, representing an improvement of 120% over the RM244.1 million recorded in the same period last year. Higher PBT was backed by the 35% increase in revenue to RM1.8 billion, mainly contributed by the mobile segment's strong mobile customer growth.

Earnings before interest, tax, depreciation and amortisation ('EBITDA') recorded 40% growth to RM799.6 million with its margin strengthened by 1.7% to 45.3%. This can be largely attributed to the lower traffic expense coupled with economies of scale gained from increase in revenue. Lower depreciation expense was due to the accelerated RM56.7 million depreciation effect posted last year, resulting from the change in depreciation rates.

Accordingly, profit after taxation ("PAT") increased by 125% to RM385.3 million compared to RM171.5 million last year while earnings per share ("EPS") rose to 51.4 sen against 22.9 sen previously.

***Quarter 2-06 versus Quarter 2-05***

For the current quarter under review, PBT increased by RM121.3 million to RM280.6 million while PAT registered at RM200.6 million, 77% higher compared to quarter 2, 2005. The good financial performance was achieved on the back of higher mobile revenue resulting from an expanded customer base despite the expected lower average revenue per user ("ARPU"). Strong PBT and PAT were supported by the improved EBITDA and higher EBITDA margin was mainly contributed by lower traffic expenses.

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

For the quarter under review, PBT increased by 9% to RM280.6 million from RM257.3 million as recorded in the preceding quarter. Higher PBT was largely backed by the 5% growth in revenue, primarily from the mobile segment with 354,000 customers added to the base. Included in the revenue was one-time write-back of RM11.7 million as a result of the change in the customers' rewards redemption program. Blended ARPU therefore, was recorded at RM54 whilst the normalized (excluding this one-time adjustment) blended ARPU registered at RM53.

EBITDA maintained at 45.3% while lower depreciation and amortization were attributed to assets fully depreciated.

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

**B3. Prospects For The Remaining Quarters Up To 31 December 2006**

The Group recognizes the competitiveness of the Malaysian telecommunications industry and expects the competition landscape to further intensify. However, the Group aims to continue to strengthen its competitive edge by leveraging on its proven innovation and creativity in delivering simple, attractive and valued products and services. The Group also plans to increase its market and revenue share by capitalizing on its improved network quality, coverage and capacity. Hence, the Group strives to outperform the industry, and actively contribute to this vibrant and dynamic environment.

Barring any unforeseen circumstances, the Directors expect the results of the Group for the remaining quarters up to 31 December 2006 to be good.

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

Not applicable.

**B5. Taxation**

The taxation charge for the Group for the current quarter and financial year-to-date ended 30 June 2006 was made up as follows:

|              | <b>Current<br/>year quarter<br/>30 June 2006<br/>RM'000</b> | <b>Current<br/>year-to-date<br/>30 June 2006<br/>RM'000</b> |
|--------------|---|---|
| Current tax  | 90,086  | 166,598   |
| Deferred tax | (10,080)  | (13,989)  |
| <b>Total</b> | <b>80,006</b>   | <b>152,609</b>  |

The effective tax rate for the current quarter and financial year-to-date ended 30 June 2006 of 28.5% and 28.4% respectively were higher than the statutory tax rate of 28.0% as certain expenses were not deductible for tax purposes.

**B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There were no profits/(losses) on sale of investments and properties included in the results for the current quarter and financial year-to-date ended 30 June 2006.

**B7. Quoted Securities**

There was no purchase and disposal of quoted securities for the current quarter and financial year-to-date ended 30 June 2006. There was no investment in quoted shares as at 30 June 2006.

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B)  
– CONT'D**

**B8. Status of Corporate Proposals**

- (a) The corporate proposal on the Commercial Papers and Medium Term Notes has yet to be executed.
- (b) On 5 April 2006, the Company announced that the Company proposed a further capital repayment of RM0.60 per ordinary share of RM0.25 each to be satisfied wholly in cash to its shareholder via a reduction of share capital and share premium account of the Company pursuant to Section 60 and 64 of the Companies Act, 1965 ("Proposed Capital Repayment 2"). Upon completion of the Proposed Capital Repayment 2, the par value of the ordinary shares in the Company will be reduced from RM0.25 each to RM0.10 each.

The Memorandum and Articles of Association ("M&A") of the Company was also proposed for further amendment to facilitate the implementation of the Proposed Capital Repayment 2.

The Proposed Capital Repayment 2 and the proposed amendment of M&A were approved by the Company's shareholders at an Extraordinary General Meeting convened on 19 May 2006 and are now pending the approval from the High Court of Malaya.

**B9. Group Borrowings**

The borrowings of the Group as at 30 June 2006 are denominated in Ringgit Malaysia, unsecured and are not expected to be repaid within the next 12 months.

**B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

**B11. Material Litigation**

There was no pending material litigation as at the date of this report.

**B12. Dividends**

The Board of Directors have declared an interim dividend of 53.5 sen per ordinary share (2005 : Nil) less 28% income tax in respect of the financial year ending 31 December 2006 and will be paid on 28 August 2006. The entitlement date for the dividend payment is on 10 August 2006.

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

- a) Shares transferred to the Depositor's Securities Account before 4:00 p.m. on 10 August 2006 in respect of transfers; and
- b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

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

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B)  
– CONT'D**

**B13. Earnings Per Share**

*Basic Earnings Per Share*

The basic earnings per share for the current quarter and financial year-to-date ended 30 June 2006 has been calculated based on the profit for the period attributable to ordinary shareholders of RM200,604,000 and RM385,271,000 respectively and the weighted average number of ordinary shares outstanding during the quarter and financial year-to-date of 750,000,000.

*Diluted Earnings Per Share - Not applicable.*

c.c Securities Commission