DiGi.COM BERHAD

Company no. 425190-X
(Incorporated in Malaysia)

Date: **20 July 2010**

Subject: **INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2010**

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2010

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR ENDED	PRECEDING YEAR ENDED
	30 JUNE 2010 RM'000	30 JUNE 2009 RM'000	30 JUNE 2010 RM'000	30 JUNE 2009 RM'000
Revenue	**1,335,096**	**1,204,832**	**2,625,454**	**2,423,187**
Other income	5,951	1,687	7,826	7,983
Depreciation and amortisation	(192,697)	(190,916)	(383,364)	(356,046)
Other expenses	(762,633)	(685,036)	(1,479,045)	(1,366,222)
Finance costs	(12,941)	(9,363)	(23,099)	(19,206)
Interest income	5,217	2,736	8,723	6,703
Profit before tax	**377,993**	**323,940**	**756,495**	**696,399**
Taxation	(99,585)	(89,473)	(199,831)	(186,493)
Profit for the period	**278,408**	**234,467**	**556,664**	**509,906**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**278,408**	**234,467**	**556,664**	**509,906**
Attributable to: Equity holders of the Company	**278,408**	**234,467**	**556,664**	**509,906**
Earnings per share (sen) - Basic	35.8	30.2	71.6	65.6
- Diluted	NA	NA	NA	NA

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

Note : NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT 30 JUNE 2010 RM'000	AT 31 DEC 2009 RM'000 Restated
Non-current assets		
Property, plant and equipment	2,803,369	2,908,174
Intangible assets	888,918	950,174
	3,692,287	3,858,348
Current assets		
Inventories	60,579	13,061
Trade and other receivables	433,758	420,336
Derivative financial instruments	171	-
Available-for-sale financial asset	10,628	10,514
Cash and cash equivalents	680,401	430,185
	1,185,537	874,096
TOTAL ASSETS	4,877,824	4,732,444
Equity		
Share capital	77,750	77,750
Reserves	1,308,407	1,443,718
Total equity – attributable to equity holders of the Company	1,386,157	1,521,468
Non-current liabilities		
Borrowings	1,022,484	772,010
Deferred tax liabilities	371,783	391,463
Provision for liabilities	16,429	21,717
	1,410,696	1,185,190
Current liabilities		
Trade and other payables	1,557,274	1,428,808
Derivative financial instruments	-	140
Provision for liabilities	71,983	71,057
Deferred revenue	272,766	272,986
Borrowings	-	149,829
Income tax payable	178,948	102,966
	2,080,971	2,025,786
Total liabilities	3,491,667	3,210,976
TOTAL EQUITY AND LIABILITIES	4,877,824	4,732,444
Net Assets Per Share (RM)	1.78	1.96

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	--------------- Attributable to equity holders of the Company--------------------			
	Share capital RM'000	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 January 2010	77,750	691,905	751,813	1,521,468
Profit for the period, representing total recognised income and expenses for the period	-	-	556,664	556,664
Dividend for the financial year ended 31 December 2009 – second interim dividend	-	-	(419,850)	(419,850)
Dividend for the financial year ending 31 December 2010 – first interim dividend	-	-	(272,125)	(272,125)
At 30 June 2010	77,750	691,905	616,502	1,386,157
At 1 January 2009	77,750	691,905	1,127,517	1,897,172
Profit for the period, representing total recognised income and expenses for the period	-	-	509,906	509,906
Dividend for the financial year ended 31 December 2008 – final dividend	-	-	(412,075)	(412,075)
At 30 June 2009	77,750	691,905	1,225,348	1,995,003

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	YEAR ENDED 30 JUNE 2010 RM'000	YEAR ENDED 30 JUNE 2009 RM'000
Cash flows from operating activities		
Profit before tax	756,495	696,399
Adjustments for:		
Non-cash items	514,624	489,470
Finance costs	23,099	19,206
Interest income	(8,723)	(6,703)
Operating profit before working capital changes	1,285,495	1,198,372
Changes in working capital:		
Net change in current assets	(94,944)	(88,702)
Net change in current liabilities	123,118	(189,928)
Cash generated from operations	1,313,669	919,742
Interest paid	(16,879)	(11,248)
Government grant received	730	-
Payments for provisions	(102,263)	(140,877)
Taxes paid	(143,503)	(187,120)
Net cash generated by operating activities	1,051,754	580,497
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(217,620)	(282,142)
Interest received	7,854	6,740
Proceeds from disposal of property, plant and equipment	203	2
Net cash used in investing activities	(209,563)	(275,400)
Cash flows from financing activities		
Proceeds from borrowings	250,000	473,789
Repayment of borrowings	(150,000)	(300,000)
Dividend paid	(691,975)	(412,075)
Net cash used in financing activities	(591,975)	(238,286)
Net increase in cash and cash equivalents	250,216	66,811
Cash and cash equivalents at beginning of period	430,185	331,277
Cash and cash equivalents at end of period	680,401	398,088

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

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 2009.

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 2009 except for the mandatory adoption of the following new and revised Financial Reporting Standards ("FRSs") and Issues Committee Interpretations ("IC Int.") effective for the financial period beginning on 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Stardards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS139, FRS 7 and IC Int. 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures, and Reassessment of Embedded Derivatives
Amendments to FRSs	Improvements to FRSs (2009)
IC Int.9	Reassessment of Embedded Derivatives
IC Int.10	Interim Financial Reporting and Impairment
IC Int.11	FRS 2 – Group and Treasury Share Transactions
IC Int.13	Customer Loyalty Programmes
IC Int.14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A1. Basis of Preparation - Cont'd

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as discussed below:

a) FRS101: Presentation of Financial Statements (revised)
The revised FRS101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. In addition, the consolidated balance sheet was renamed as the consolidated statement of financial position in the interim financial report. This Standard did not have any impact on the financial position and results of the Group.

b) Amendments to FRSs 'Improvements to FRSs (2009)' – FRS 117: Leases
FRS 117 clarifies on the classification of leases of land and buildings. The resulting effect of this Standard taking effect was the reclassification of prepaid leases on land back into property, plant and equipment, rather than being separately classified under prepaid lease payments on the consolidated statement of financial position, as disclosed under Note A13.

c) FRS 139: Financial Instruments: Recognition and Measurement, and Amendments to FRS 139: Financial Instruments: Recognition and Measurement
The new Standard on FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. There were no significant changes to the interim financial report other than the:
   i) designation of the short-term investment as an available-for-sale financial asset; and
   ii) inclusion of off-balance sheet derivatives at their fair values, in the interim financial report, in line with the accounting policy as disclosed under Note B10.

   This Standard did not have any significant impact on the financial position and results of the Group.

A2. Seasonality or Cyclicality of Interim Operations

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period ended 30 June 2010, other than the:

a) issuance of medium-term notes ("MTN II") as disclosed under Note B9;

b) full redemption of the commercial papers as disclosed under Note A5; and

c) repayment of the fixed-rate term loan I ("FTRL I") as disclosed under Note A5.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial period ended 30 June 2010.

A5. Debts and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial period ended 30 June 2010, other than the:

a) issuance of MTN II as disclosed under Note B9;

b) full redemption of the commercial papers of RM50.0 million in February 2010; and

c) repayment of FRTL I of RM100.0 million in April 2010.

A6. Dividend Paid

For the financial period ended 30 June 2010:

a) the first interim dividend of 35.0 sen single-tier exempt dividend per ordinary share, amounting to RM272.1 million in respect of the financial year ending 31 December 2010, was paid on 18 June 2010; and

b) the second interim dividend of 54.0 sen single-tier exempt dividend per ordinary share, amounting to RM419.8 million in respect of the financial year ended 31 December 2009, was paid on 26 March 2010.

A7. Segment Information

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

A8. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter and financial period ended 30 June 2010 up to the date of this report.

A9. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial period ended 30 June 2010 including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2009.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A11. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment and intangible assets not provided for as of 30 June 2010 are as follow:

	RM'000
Approved and contracted for	132,000
Approved but not contracted for	669,000

A12. Related Party Transactions

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

	Transactions for the period ended 30 June 2010 RM'000	Balance due from/(to) at 30 June 2010 RM'000
With the ultimate holding company and fellow subsidiary companies		
- *Telenor ASA*		(7,810)
Consultancy services rendered	8,516	
- *Telenor Consult AS*		(4,524)
Personnel services rendered	10,710	
- *Telenor Global Services AS*		(1,237)
Sales of interconnection services on international traffic	325	
Purchases of interconnection services on international traffic	3,210	
Purchases of IP transit	382	
- *Telenor LDI Communication (Private) Limited*		(223)
Sales of interconnection services on international traffic	370	
Purchases of interconnection services on international traffic	1,259	

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A12. Related Party Transactions - Cont'd

	Transactions for the period ended 30 June 2010 RM'000	Balance due from/(to) at 30 June 2010 RM'000
With the ultimate holding company and fellow subsidiary companies - Cont'd		
- *Total Access Communication Public Company Limited*		(603)
Sales of roaming services	176	
Purchases of roaming services	2,428	
- *DTAC Network Co. Ltd*		813
Sales of interconnection services on international traffic	1,352	
Purchases of interconnection services on international traffic	25	
- *Telenor Norge AS*		1,595
Sales of roaming services	427	
Purchases of roaming services	44	
Services rendered on application operations and basic operation for data center	1,483	

A13. Comparatives

The following comparatives have been reclassified to conform with the current financial period's presentation:

	Restated RM'000	Previously stated RM'000
Statement of Financial Position		
Non-current assets		
Property, plant and equipment	2,908,174	2,896,120
Prepaid lease payments	-	12,054

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

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

Financial period ended 30 June 2010 versus financial period ended 30 June 2009
The Group registered strong revenue of RM2.6 billion for the current financial period, up 8% from the same period last year. The growth was driven by increased usage coupled with a larger customer base of 8.1 million (2009: 7.2 million). Average revenue per user ("ARPU") dipped from RM55 in the previous financial period to RM53; on the back of increasing price competition in the market.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") came in at RM1.2 billion, an 8% improvement from the preceding financial period; a direct result of the Group's ongoing operational efficiency initiatives, in addition to revenue growth as mentioned above. The EBITDA margin improved to 44.0% (2009: 43.9%), despite accounting for higher traffic and network operating costs, as well as handset bundles.

The Group's profit before tax ("PBT") and profit after tax ("PAT") were at RM756.5 million and RM556.7 million respectively (2009: RM696.4 million and RM509.9 million respectively) at the close of the current financial period; mirroring the earlier highlighted 8% increase in the EBITDA. Consequently, the earnings per share ("EPS") of 71.6 sen were a marked improvement from the 65.6 sen reported in same period last year.

2nd Quarter 2010 versus 2nd Quarter 2009
Revenue of RM1.3 billion out-performed the preceding year's same quarter by 11%, mainly due to a steady increase in new customers and encouraging take-up of our new offerings during the current quarter. The lower ARPU at RM53 (2009: RM54) was largely a result of on-going price competition.

The Group's EBITDA improved from RM521.5 million in the same quarter last year to RM578.4 mil this quarter. However, EBITDA margin remained at the same level of 43.3% (2009: 43.3%) despite the increase in revenue. Cost savings from operational efficiency initiatives carried out over the past months were partially off-set by the higher proportion of handset bundles taken up in 2nd Quarter 2010.

Higher PBT and PAT of RM378.0 million and RM278.4 million respectively (2009: RM323.9 million and RM234.5 million respectively) were a flow-through of the improved current quarter EBITDA, coupled with the absence of accelerated depreciation on certain end-of-life equipment which was recorded in the previous year's same quarter. Current quarter EPS was 35.8 sen compared to 30.2 sen in 2nd Quarter 2009.

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

PBT of RM378.0 million in 2nd Quarter 2010 more or less equaled the preceding quarter's RM378.5 million. Despite the 3% quarterly revenue growth, the EBITDA margin of 43.3% was reduced due to increased sales of handset bundles, as highlighted in the preceding quarter, partly off-set by lower allowances for credit losses from improved collections, and increased cost savings from operational efficiency initiatives.

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

B3. Prospects For The Remaining Quarters Up To 31 December 2010

On the Group's prospects for the remaining quarters in 2010, given the Group's strong year-to-date performance, the Board is of the opinion that the Group will be able to continue to grow revenue and improve on its operational efficiency going forward.

The Group's ambition to grow the business in the fast growing mobile internet market, as well as its ability to execute profitable strategies to defend and grow its market positions in several key market segments are important growth drivers.

The mobile internet market, which covers both mobile broadband and mobile internet access on handsets, in Malaysia is expected to grow significantly into the foreseeable future. This is an important revenue driver for the Group going forward.

We will continue to see strong demand for quality internet access; this demand will in part be driven by the relatively young population base in Malaysia and partly by the increasing availability and affordability of smart devices as well as relevant applications. As of today, the Group has more than 2.7 million mobile internet and mobile broadband customers; since we launched in the market in the first quarter of 2009.

The Board had previously recognised that in order to successfully capture data traffic growth in the market, the Group will need to take on a higher level of handset bundles going forward. And that this higher level of handset bundles will have a short to medium term negative impact on margins. Some of this effect was seen this quarter, nevertheless, the Group will continue to execute on its strategy to ensure profitable growth in the medium to longer term.

In terms of CAPEX, the Group will continue to invest substantially in network expansion particularly in expanding the footprint of its 3G/HSPA network. We have now widened our footprint to Johor Bahru in addition to Klang Valley, Penang, Kota Kinabalu, Ipoh and Kuching to cover around 35% of the population in Malaysia.

On the regulatory front, the industry has to comply with new effective termination rates from 15 July 2010. Based on existing traffic pattern, the impact on the Group is largely neutral from a cost and revenue perspective overall in the short term.

Regarding the upcoming spectrum re-farming, consultations are underway between the regulator and the industry on the best way to re-trench and re-allocate relevant spectrum bands to ensure efficient spectrum utilisation and a level playing field. Depending on the method decided by the regulator for re-allocation of the spectrum, industry players might potentially incur additional investments. The Group will apprise the market accordingly when more information about this important exercise is available.

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

B3. Prospects For The Remaining Quarters Up To 31 December 2010 - Cont'd

The Group continuously seeks to maintain a healthy financial structure to support the growth of the Group's business whilst continuing to deliver superior returns to our shareholders. The Group will maintain its dividend policy which seeks to distribute minimum 80% of its annual net profit to shareholders to be paid quarterly; subject to ongoing assessment depending on the availability of distributable reserves as well as the Group's future cash flow requirements and market conditions.

These targets will be reviewed periodically by the Board and any subsequent changes will be conveyed to the market in accordance with the Bursa Securities LR.

These targets are internal management targets and are not estimates, forecasts or projections. In addition, these internal targets have not been reviewed by our external auditors.

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

Not applicable.

B5. Taxation

The taxation charge for the Group for current quarter and financial period ended 30 June 2010 was made up as follows:

	Current year quarter 30 June 2010 RM'000	**Current period ended 30 June 2010 RM'000**
Current tax	104,690	219,509
Deferred tax	(5,105)	(19,678)
Total	99,585	199,831

The effective tax rates for the current quarter and financial period ended 30 June 2010 of 26.3% and 26.4% respectively were higher than the statutory tax rate of 25.0%, mainly due to certain expenses not being 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 period ended 30 June 2010.

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

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial period ended 30 June 2010. There was no investment in quoted shares as at 30 June 2010.

B8. Status of Corporate Proposals

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

B9. Group Borrowings

	30 June 2010 RM'000
Non-current	
Fixed-rate term loan ("FRTL II")	472,621
Medium-term notes ("MTN I")	299,863
MTN II	250,000
	1,022,484

The above borrowings are denominated in Ringgit Malaysia and unsecured.

The FRTL II of RM475.0 million is repayable on a bullet basis of RM150.0 million each repayment in January 2012 and January 2013, and the final repayment of RM175.0 million in January 2014.

The MTN I with a nominal value of RM300.0 million comprises of 2 tranches, which are redeemable at RM100.0 million and RM200.0 million, in July 2012 and July 2014 respectively.

The MTN II with a nominal value of 250.0 million is redeemable in February 2015.

B10. Financial Instruments

As at 30 June 2010, the Group's outstanding foreign currency forward contracts for the purpose of hedging certain foreign currency-denominated trade payables, were as detailed below:

Type of derivative	Contract value in foreign currency (USD'000)	Notional value (RM'000)	Fair value (RM'000)	Gain arising from fair value changes (RM'000)
Foreign currency forward contracts – Less than 1 year	13,000	41,960	42,131	171

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

B10. Financial Instruments - Cont'd

The above foreign currency forward contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities; in accordance with the Group's foreign currency hedging policy. In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed 100% of the net exposure value. Speculative activities are strictly prohibited. We have adopted a layered approach to hedging, where a higher percentage of hedges will be executed for closer-dated exposures and with time, increase the hedge as the probability of the underlying exposure increases. These derivatives and their underlying exposures will be monitored on an on-going basis.

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

Accounting Policy

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

Credit Risk Management Policy

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

B11. Material Litigation

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

B12. Dividends

The Board of Directors has declared a second interim dividend of 35.0 sen single-tier exempt dividend per ordinary share in respect of the financial year ending 31 December 2010, which will be paid on 24 September 2010. The entitlement date for the second interim dividend is on 30 August 2010.

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 30 August 2010 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.

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 period ended 30 June 2010 has been calculated based on the net profit for the year attributable to equity holders of the Company of RM278,408,000 and RM556,664,000 respectively and the weighted average number of ordinary shares outstanding during the current quarter and financial period ended 30 June 2010 of 777,500,000.

Diluted Earnings Per Share – Not applicable

B14. Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 31 December 2009 were not subject to any qualification.

B15. Additional Disclosure Requirement – Update on Memorandum of Understanding ("MoU") pursuant to Paragraph 9.29, Chapter 9 of the Main LR

DiGi Telecommunications Sdn Bhd, together with its major shareholder, Telenor Asia Pte Ltd had on 10 June 2010 entered into a MoU on network collaboration with Axiata Group Berhad and Celcom Axiata Berhad. There has been no material update, and no subsequent agreement has been entered arising from the MoU since the end of this current quarter and financial period ended 30 June 2010 to the date of this report.

c.c. Securities Commission