

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

11 February 2003

KUALA LUMPUR STOCK EXCHANGE
9th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

DiGi.COM BERHAD
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 1 OCT 2002 TO 31 DEC 2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000	CURRENT YEAR TO-DATE 1 JAN 2002 TO 31 DEC 2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 1 MAY 2001 TO 31 DEC 2001 RM'000
Revenue	369,724	NA	1,289,564	747,042
Operating expenses	(212,941)	NA	(810,871)	(496,450)
Depreciation and amortisation	(109,832)	NA	(281,008)	(96,590)
Other operating income	517	NA	4,428	3,285
Profit from operations	47,468	NA	202,113	157,287
Finance costs	(14,717)	NA	(60,594)	(41,983)
Interest income	1,413	NA	4,251	6,617
Profit before taxation	34,164	NA	145,770	121,921
Taxation	(11,300)	NA	(44,900)	37,000
Profit after taxation	22,864	NA	100,870	158,921
Minority interest	-	NA	-	-
Net Profit for the period	22,864	NA	100,870	158,921
Earnings per share (sen)				
- Basic	3.0	NA	13.4	21.2
- 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 8)

Note : NA denotes "Not Applicable"

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED
31 DECEMBER 2002**

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 31 DECEMBER 2002	AT 31 DECEMBER 2001 (AUDITED)
	RM'000	RM'000
Property, plant and equipment	2,494,506	1,978,049
Intangible asset	46,963	50,904
Deferred expenditure	743	818
Current assets		
Deferred tax asset	-	37,000
Inventories	11,101	14,037
Trade and other receivables	209,532	171,890
Cash and cash equivalents	245,672	157,663
	466,305	380,590
Current liabilities		
Trade and other payables	769,049	425,260
Borrowings	106,138	90,354
	875,187	515,614
Net current liabilities	(408,882)	(135,024)
	2,133,330	1,894,747
Financed By :		
Capital and Reserves		
Share capital	750,000	750,000
Reserves	567,615	466,745
Shareholders' funds	1,317,615	1,216,745
Long term liabilities		
Borrowings	805,441	678,002
Deferred taxation	7,900	-
Retirement benefits	2,374	-
	2,133,330	1,894,747
Net Tangible Assets Per Share (RM)	1.69	1.55

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED
31 DECEMBER 2002**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2002	750,000	352,651	114,094	1,216,745
Net profit for the year	-	-	100,870	100,870
At 31 December 2002	<u>750,000</u>	<u>352,651</u>	<u>214,964</u>	<u>1,317,615</u>
At 1 May 2001	750,000	352,651	(44,827)	1,057,824
Net profit for the period	-	-	158,921	158,921
At 31 December 2001	<u>750,000</u>	<u>352,651</u>	<u>114,094</u>	<u>1,216,745</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 8)

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED
31 DECEMBER 2002**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	31 DECEMBER 2002	8 MONTHS ENDED
	RM'000	31 DECEMBER 2001
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	145,770	121,921
Adjustments for non-cash flow:		
Non-cash items	283,916	102,108
Finance costs	60,594	41,983
Interest income	(4,251)	(6,617)
Operating profit before working capital changes	486,029	259,395
Changes in working capital:		
Net change in current assets	(34,644)	(22,192)
Net change in current liabilities	329,806	(108,190)
Cash generated from operations	781,191	129,013
Finance costs	(46,830)	(36,288)
Payment for technical services fee	-	(53,203)
Net cash generated by operating activities	734,361	39,522
Cash flows from investing activities		
Acquisition of property, plant and equipment	(794,506)	(393,674)
Interest income	4,189	6,641
Proceeds from disposal of property, plant and equipment	742	17,029
Net cash used in investing activities	(789,575)	(370,004)
Cash flows from financing activities		
Proceeds from bank borrowings	192,623	302,150
Repayment of bank borrowings	(49,400)	(25,478)
Net cash generated by financing activities	143,223	276,672
Net increase / (decrease) in cash and cash equivalents	88,009	(53,810)
Cash and cash equivalents at beginning of period	157,663	211,473
Cash and cash equivalents at end of period	245,672	157,663

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2001.

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 period ended 31 December 2001.

A2. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by seasonality and cyclicity 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 are unusual because of their nature, size or incidence other than as disclosed under Note A4.

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in the prior financial years that have a material effect in the current interim period except for the change in the depreciation rates for telecommunications network and computer systems included in the property, plant and equipment based on our periodic review of the estimated useful lives of these assets.

The changes in the principal annual rates with effect from 1 July 2002 onwards are as follows:

	<u>Previous rates</u>	<u>New rates</u>
Telecommunications network	5.0 to 6.6%	10%
Computer systems	12.5%	20%

The financial impact on the change in depreciation rates was an increase of RM42.2 million and RM83.0 million in the depreciation amount charged to the Condensed Consolidated Income Statements for the current quarter and financial year ended 31 December 2002 respectively.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A5. 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 ended 31 December 2002.

A6. Dividend Paid

No dividend has been paid for the current quarter and financial year ended 31 December 2002.

A7. 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 ended 31 December 2002 were as follows:

	Mobile	International	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	1,081,853	193,464	14,247		1,289,564
Inter-segment *			6,100	(6,100)	-
Total Revenue	1,081,853	193,464	20,347	(6,100)	1,289,564
Segment Result	222,932	13,931	(4,321)		232,542
Unallocated expenses					(30,429)
Profit from operations					202,113

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

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A8. Property, Plant and Equipment

Significant acquisition and disposal of items of property, plant and equipment for the current quarter and financial year ended 31 December 2002 are as follows:

Items of property, plant and equipment	Current quarter ended 31 December 2002 RM'000	Current financial year ended 31 December 2002 RM'000
Telecommunications network: Acquisition - At Cost	341,111	719,412
Disposal - At Net Book Value	467	905

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.

A9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 31 December 2002 up to the date of this report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 31 December 2002 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A11. Changes in Contingent Liabilities

As at 31 December 2002, there is a contingent liability of RM145,000 relating to guarantee given by a subsidiary company to a financial institution for housing loans granted to its employees (31 December 2001 – RM157,000).

A12. Capital Commitments

	Group 31 December 2002 RM'000
Property, plant and equipment:	
Authorised and contracted for	139,000
	<hr/> <hr/>
Authorised but not contracted for	302,000
	<hr/> <hr/>

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A13. 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 financial year:

	Transactions for the financial year ended 31 December 2002 RM'000	Balance due from/(to) at 31 December 2002 RM'000
<i>With the intermediate holding company</i>		
<i>- Telenor Mobile Communications AS</i>		
Professional and personnel services rendered	19,798	(5,712)
	<u> </u>	<u> </u>
<i>With a fellow subsidiary company</i>		
<i>- Telenor Global Services AS</i>		
Sales of interconnection services on international traffic	5,715	1,197
Purchase of interconnection services on international traffic	1,089	-
	<u> </u>	<u> </u>
 <i>With companies in which a Director of the company, Tan Sri Dato' Seri Vincent Tan Chee Yioun has an interest</i>		
Cosway (M) Sdn. Bhd.		
Sales of reload coupons	5,869	1,068
Convenience Shopping Sdn. Bhd.		
Sales of reload coupons	6,438	813
Berjaya General Insurance Bhd.		
Insurance premiums paid/payable	1,725	-
Berjaya Registration Services Sdn. Bhd.		
Printing and mailing services rendered	2,788	(848)
	<u> </u>	<u> </u>

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

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

The Group achieved profit before taxation of RM145.8 million for the current financial year ended 31 December 2002 as compared with RM121.9 million for the preceding eight months financial period ended 31 December 2001. Higher profit before taxation was contributed by the longer period of 12 months for the current financial year as compared with 8 months for the preceding financial period, even though the depreciation and amortisation expense for the current financial year of RM281.0 million was much higher compared with the preceding 8 months financial period of RM96.6 million.

For the current financial year ended 31 December 2002, the Group registered profit after taxation of RM100.9 million as compared with RM158.9 million achieved in the preceding financial period. The lower profit after taxation was mainly attributed to a deferred tax expense of RM44.9 million as compared with the deferred tax income of RM37.0 million recognised in the preceding financial period. Consequently, earnings per share was 13.4 sen as compared with 21.2 sen recorded in the preceding financial period ended 31 December 2001.

Similarly, for the current quarter, profit before taxation of RM34.2 million was affected by the higher depreciation and amortisation expense arising from the increase in the depreciation rates. The Group recorded profit after taxation of RM22.9 million after deducting deferred tax charge of RM11.3 million.

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

The Group registered a higher profit before taxation of RM34.2 million for the current quarter as compared with RM10.5 million in the preceding quarter. Higher profit before taxation was due to increase in revenue by 14.7% mainly from the mobile segment while total operating expenses, depreciation and amortisation expense increased at a lower rate of 7.6%. Higher revenue achieved in the mobile segment was mainly driven by the increase in its mobile customer base.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
FINANCIAL YEAR ENDED 31 DECEMBER 2002**

**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B3. Prospects For The Next Financial Year ending 31 December 2003

The Group is continuing with its focus on increasing its customer base and the revenue by leveraging on its improved network quality, capacity and coverage and delivering value added services.

However, the Directors expect the results of the Group for the next financial year ending 31 December 2003 to be sustainable even though it will continue to be affected by the higher depreciation and amortisation expense due to the increase in depreciation rates for those affected property, plant and equipment effective from 1 July 2002 as explained in Note A4 of the Notes to the Interim Financial Report.

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

Not applicable.

B5. Taxation

The taxation charge for the current quarter and financial year ended 31 December 2002 is made up as follows:

	Current quarter ended 31 December 2002 RM'000	Current financial year ended 31 December 2002 RM'000
Current tax expense	-	-
Deferred tax expense	11,300	44,900
Total	11,300	44,900

There was no current tax expense for the current quarter and financial year ended 31 December 2002 as the taxable income was absorbed by brought forward capital allowances. The deferred tax expense was attributed to the realisation of the benefit arising from utilisation of capital allowances.

The effective tax rate for the current quarter and financial year ended 31 December 2002 of 33.1% and 30.8% respectively were higher than the statutory tax rate of 28.0% as certain expenses and provisions 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 ended 31 December 2002.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
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**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year ended 31 December 2002. There was no investment in quoted shares as at 31 December 2002.

B8. Status of Corporate Proposals

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

B9. Group Borrowings

Details of Group Borrowings are as follows:

Borrowings	31 December 2002 RM'000
<u>Secured</u>	
Short term : Denominated in Ringgit Malaysia	56,738
Short term : Denominated in US Dollar	49,400
	106,138
<u>Secured</u>	
Long term : Denominated in Ringgit Malaysia	681,941
Long term : Denominated in US Dollar	123,500
	805,441
Total	911,579

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

No final dividend has been recommended for the current quarter and financial year ended 31 December 2002. (Financial period ended 31 December 2001: Nil).

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year ended 31 December 2002 have been calculated based on the net profit attributable to ordinary shareholders of RM22,864,000 and RM100,870,000 respectively and the weighted average number of ordinary shares outstanding during the quarter of 750,000,000.

Diluted Earnings Per Share

Not applicable.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE
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**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B14. Comparatives

With the change in the financial year end from 30 April to 31 December since the last financial period ended 31 December 2001, the interim financial report for the current reporting quarter and year to-date is from 1 October 2002 to 31 December 2002 and 1 January 2002 to 31 December 2002 respectively. There were no comparative figures for the current reporting quarter. The comparatives used for the preceding year corresponding year to-date is from 1 May 2001 to 31 December 2001.

c.c Securities Commission