

ANNUAL REPORT 2018

OOREDOO MALDIVES PLC



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REPORT

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ATTENTION

This is the Annual Report (the "Annual Report") of Ooredoo Maldives Plc ("Ooredoo Maldives" or the "Company") for the year ended 31st December 2018 and includes key highlights of Ooredoo Maldives, the Directors' Report and the Financial Statements. It has been prepared in compliance with the Companies Act of the Republic of Maldives (Act No.: 10/96), the Maldives Securities Act (Act No.: 2/2006), the Securities (General) Regulations 2007, the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2010 (Regulation No.: 2011/R-10), the Corporate Governance Code of the Capital Market Development Authority ("CG Code") and the Listing Rules of the Maldives Stock Exchange ("Listing Rules"). The content of the Annual Report is prepared in accordance with the applicable laws and regulations and the Financial Statements are in compliance with the International Financial Reporting Standards.

The Annual Report includes factual information and forward looking statements which are based on assumptions or expectations. Statements providing information about the Company's plans, objectives, goals are not factual information and statements with phrases like "will", "believe", "assume", "expect", "shall", "may", "aims", "intend" provide information of the assumptions or expectation of the Company. These statements are subject to risks and the end result might differ from that of the information included in this Annual Report, hence these forward looking statements should not be taken into consideration.

CONTENTS

04

ABOUT US

17

STRATEGIC REPORT

45

**ENRICHING SUSTAINABLE
DEVELOPMENT**

61

CORPORATE GOVERNANCE

73

**NOMINATION AND REMUNERATION
COMMITTEE REPORT**

79

AUDIT COMMITTEE REPORT

83

SUBSIDIARY COMPANIES

87

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS 2018**

141

ACKNOWLEDGEMENTS

145

CORPORATE INFORMATION

About Us

Our Business

We launched our mobile telecommunications services in the Maldives on 1st August 2005 as Wataniya Telecom Maldives Private Limited. We are part of the international telecommunications company Ooredoo, which operates in 10 countries across the Middle East, North Africa and Southeast Asia, serving over 119 million consumers and businesses, delivering the leading data experience through a broad range of content and services via its advanced, data-centric mobile and fixed networks.

We became a public limited company on 6th October 2016 and thereby re-registered as Ooredoo Maldives Public Limited Company. Our majority shareholder is Wataniya International FZ-LLC holding 90.5% of the issued shares of the Company with the remaining 9.5% of the shares held by the public.

We cater to a subscriber base of over 440,000 customers in the Maldives ranging from individuals, small to medium businesses, large corporates and state institutions and continue to achieve robust compound annual growth rates of 12.4% in subscribers and 22.7% in revenue from 2013 to 2018.

Since our establishment in the Maldives, we have made strong investments that have completely transformed the telecommunications industry of the nation, through advanced technologies and innovative products and solutions that enable new and exciting opportunities for development.

Human growth is at the heart of everything we do. As a part of the Ooredoo Group, we are guided by the shared vision of enriching people's lives. As an enabler of digital, we are determined to remain at the helm of the digital transformation in the Maldives, supporting consumers and businesses to reach their full potential.

We were the first operator to launch the first ever and fastest 3G and 4G Networks in the Maldives, and we continued this trend by recently demonstrating the highest ever seen speeds in the country through 5G. We remain committed to enriching the lives of Maldivians by connecting them with the latest advancements in digital.

VISION

Enriching people's lives as a leading international communications company.

MISSION

To provide world class, innovative communications products and services to the people of, and visitors to the Maldives.

CORE VALUES

CONNECTING

We play an active role in our local communities, deploying our reliable, trustworthy networks to deliver relevant services that give you access to the solutions and support you need.

CARING

We make things easy for you. With us, everything is simple and transparent. We respond quickly to your requests, and show concern and respect.

CHALLENGING

We love a challenge because we have an ever youthful spirit, fueling our passion to be the best and enabling us to lead change and innovation to benefit our customers.

Message by The Chairman

Mr. Khalid Ibrahim A Al-Mahmoud



Dear Shareholders,

It is with pleasure that I present to you the 2018 Annual Report of Ooredoo Maldives, on behalf of the Board of Directors. We are proud of the Company's performance in 2018, achieving a robust growth driven by our strategy of digital transformation and digital customer experience.

ENRICHING DIGITAL LIVES

Ooredoo Maldives' vision and top priority is to enrich the lives of our customers through innovations and technologies which enable new opportunities for social and economic growth.

The Maldives has great potential to benefit from being connected to the digital world, due to its unique topography which divides its population into numerous small communities separated by the ocean. This remains a driving factor in Ooredoo's investments to strengthen the first nationwide 4G+ network in the Maldives. Our aim is to ensure that people across the nation are able to enjoy the internet, and access the vast possibilities that come with it.

We have made significant efforts in driving digital, both within the Company and across our communities in the Maldives. Over 10 transformational digital platforms were introduced to increase accessibility to our services, enhance customer experience, and to foster productivity at all levels.

PREPARING FOR THE 5G REVOLUTION

Across our markets, Ooredoo is pushing forward with a group-wide modernization programme to enhance customers' digital experiences, all in an effort to stay one step ahead in the global race to deliver 5G services.

In 2018, we showcased our 5G capabilities with unprecedented speeds of up to 1.8 Gbps, signalling positive new opportunities for the Internet of Things ("IOT") innovation in a digitally advanced Maldives. Ooredoo Maldives is determined to remain at the helm of the evolving 5G ecosystem, working to provide life-changing network enhancements to customers that will see them enabled to experience connectivity and the IOT in a completely different way.

ENGAGING WITH COMMUNITIES

As a community focused company, Ooredoo Maldives believes that it can leverage human growth through its technologies and services. We remain aware that much of the world's biggest challenges cannot be achieved without fully leveraging the unmatched reach and capabilities of mobile technology.

Ooredoo Maldives was the first private sector partner to commit in 2015 to achieving the United Nations Sustainable Development Goals in the Maldives. In 2018, our commitment remained strong with investments in fruitful initiatives that bridge the link between community development and technology such as the Niru Accelerator Program which we launched to provide opportunities for development of local talent. Human growth is at the heart of everything that we do, and Ooredoo will continue to support and invest in the social and economic growth of the people of Maldives.

In our efforts to make a positive impact in the lives of our customers and the people of Maldives, we have donated 3 fully equipped Sea Ambulances to the National Emergency Response Fleet.

SUSTAINING OUR BUSINESS

Our achievements would not have been made possible without the efforts of the Ooredoo Maldives team, who continue to challenge themselves year on year. I am inspired by their hard work, dedication and the unmatched drive to achieve.

It was a pleasure to continue our vibrant journey with the talented and hardworking Executive Management Team of Ooredoo Maldives, who have once again led the team to new heights. I am delighted to welcome Mr. Shabeen Ali, who brings with him over two decades of experience in the communications industry of Maldives, to the Executive Management Team as the Director of Network & IT Planning.

As we cater to one of the most dynamic industries in the world, we are focused on investing in the growth and well-being of our employees, supported by award winning HR policies in recruitment, people development and employee engagement.

DIVIDENDS

The Board of Directors are pleased to propose a dividend of MVR 3.22 per share for the financial year of 2018, which is equivalent to 88% of Ooredoo Maldives Group Net Profit.



Khalid Ibrahim A Al-Mahmoud
Chairman

BOARD OF DIRECTORS, SHAREHOLDERS AND OUR CUSTOMERS

I would like to express my gratitude to the Board of Directors of Ooredoo Maldives, whose guidance and support has once again enabled Ooredoo Maldives to achieve remarkable results over the past year.

On behalf of our family at Ooredoo Maldives, I would like to thank our shareholders for their support and continued trust in us.

The encouragement and patronage from our customers drives our team to continue our journey of innovation and for this, I express my sincere gratitude.

We at Ooredoo Maldives remain committed to enriching lives and contributing to the social and economic progress of the beautiful country of Maldives, and its people.

Message by The Chief Executive Officer

Mr. Najib Khan



Dear Shareholders,

2018 has been a fantastic year for Ooredoo Maldives, one where we have taken leaps in our digital transformation journey. Our efforts have led to ambitious new projects and a stronger network backbone, equipped to support the nation and our people to participate fully in the digital era.

The role of digital technologies has never been more important, and thus the need for high speed internet services. Following the deployment of our countrywide submarine cable and the nation's first 4G+ network, our work to cater for the ever growing communication needs of the population have continued at a rapid pace. In 2018, we have made notable investments to deliver the best experience to customers, inclusive of network upgrades, refinement of our product portfolios, expansion of fixed broadband services and bringing new innovations to the Maldives. The collective effort of which has enabled us to welcome new customers and continue the positive growth from mobile, broadband and enterprise solutions.

Ooredoo Maldives was also the first Ooredoo Group company to have been granted a 5G spectrum license in February 2018. Key investments made under our network modernization program allowed us to showcase unmatched speeds in the Maldives, as we demonstrated our 5G capabilities during the Ooredoo Color Run event. As the world prepares for the 5G revolution, we are also accelerating efforts to deliver this path-breaking technology to the people of the Maldives, well ahead of the curve.

We have made significant progress in our fixed broadband journey, with SuperNet services being expanded to 60% of the Maldives with a significant rise

in broadband revenue. Similarly, a strategic revamp of our post-paid services led to a steep increase in post-paid business.

Building a digital financial services portfolio has remained a key focus. Key developments were made to our mobile money platform that enabled ease of use and accessibility. Combined with the fundamental progress made in increasing m-Faisaa agents and partners across the nation, our active mobile money user base increased at a significant pace throughout the year.

Major investments were made in the end to end digitalization of all our processes and customer journey. This allowed us to increase accessibility to our services, and provide immediate service to our customers, regardless of where they are, thus enabling convenient and user-friendly customer experience platforms such as Ooredoo Next, Magey Plan, m-Faisaa and My Ooredoo App. Our business portal VIYA also has allowed us to streamline services for our customers across the nation.

In spite of the tough market conditions Ooredoo Maldives' revenue increased by MVR 107 million, continuing to deliver tremendous value for our shareholders. Both the Consumer and Enterprise business segments have contributed to this growth despite declining trends in voice and roaming revenues. Growth in customer base and innovative product offers focused on customer needs is the primary reason for the growth in revenue. Ooredoo Maldives Group achieved an Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") of MVR 929 million in 2018, while the Profit after Tax achieved for the year 2018 is MVR 545 million.

We have received international recognition for our HR practices. With the belief that our people are our biggest assets, we have continuously engaged in developing their capabilities to meet the challenges in the new digital world.

Ooredoo Maldives' CSR strategy was built around the vision of enriching lives through technologies and the strong commitment made towards supporting the achievement of the Sustainable Development Goals. Together with strategic partners from the Government, humanitarian and private sector, we were able to create and continue a number of sustainable projects that tackle key challenges in the market through innovative solutions.

We launched a first of its kind Accelerator program - NIRU, for supporting innovative start-ups that are passionately working towards social change.

Ooredoo Maldives also continued the Smart Cities Maldives project - under our strategic partnership with UNDP Maldives and Housing Development Corporation to reinforce the application of technology in the field of development and promote social innovation.

We also launched the Digital Literacy Program for the elderly, aimed to contribute to the closing of the age and gender based digital divide.

Building a strong and long lasting bond with our communities is of great importance to our team, and we continued our engagement with the public with fun and memorable events such as the Ooredoo Mas Race and the largest run in the Maldives - the Ooredoo Color Run.



Najib Khan
Chief Executive Officer

With the support of our shareholders, customers and our team, Ooredoo Maldives was able to achieve new heights in 2018. It was a great honor to be recognized globally and within Maldives, including renowned accolades such as the Bronze Stevie International Business Award for the Most Innovative Company of the Year, Maldives Customer Experience Award for the Maldives Business of the Year: Telecommunication and Information and the Maldives Business Award for Excellence in Information and Communication, Best Foreign Direct Investment of the Year, as well as the Best Investor Relations Company of the Maldives.

We remain focused on enriching the lives of people through innovative digital technologies, and towards paving the way to a digitally advanced Maldives. The role of digital in facilitating socio-economic progress will only continue to grow in the years to come, and we are determined to be at the helm of this transformation in our country.

We will continue to invest in maintaining a world class network in the Maldives, powered by the latest digital technologies in order to fuel the digital lifestyles of our customers.

Board of Directors



**Mr. Khalid Ibrahim
A Al-Mahmoud**

Mr. Khalid Ibrahim A Al-Mahmoud is the Managing Director of Ooredoo Maldives as well as the Chairman of the Company and is an Independent, Non-Executive Director. He also serves as Group Chief Officer of Ooredoo Group's Small and Medium Businesses Unit, which oversees a number of Ooredoo Group companies. He is also the Vice Chairman of the Board of Wataniya Mobile Palestine and has also served on various Boards including as the Chairman of Ooredoo Algeria, Vice Chairman of Ooredoo Oman, Chairman of PTC (Bravo) Saudi Arabia and Chairman of Wi-Tribe Pakistan.

Since joining the Ooredoo Group in 1989, Mr. Al-Mahmoud has held number of key positions in Qatar and abroad including as the COO of Ooredoo Oman, Head of Qatar ISP and Corporate Data Services Business Unit, Head of Product Development and Communication and Head of IT of Ooredoo Qatar.

Mr. Al-Mahmoud holds a Bachelor of Science in Computer Engineering from the University of Pittsburgh, United States of America.



Mr. Najib Khan

Mr. Najib Khan is the Chief Executive Officer ("CEO") of Ooredoo Maldives, since April 2017 and is a Non-Independent, Executive Director. He took over the leadership of the Company's management team during its successful IPO launch. His tenure has seen acceleration in the Digitalization of the market and Ooredoo Maldives. Under his leadership the Company has pioneered digital access for consumers through many path breaking digital apps like Magey Plan, AI based BOT, enrichment of Ooredoo App and Business Apps for Digitalization of resorts. In an era of Digital economy, the m-Faisaa app for utility payments and democratization of broadband service through Faseyha Home Broadband has provided access to a digital lifestyle for homes and businesses.

He joined the Ooredoo Group in November 2014 as a Senior Director in the Commercial Division. He has experience of nearly 26 years in the telecoms sector including his role as a CXO for about 9 years in various departments of Bharti Airtel Limited in India.

Mr. Khan has significant experience in managing B2B, Wholesale and B2C commercial activities with an impressive skill set spanning operations, product P&L management and business development.

Mr. Khan has a Bachelor of Science in Industrial Electronics Engineering from Mumbai University.



**Dr. A Hamid Mohd A
Marafi**

Dr. A Hamid Mohd A Marafi is an Independent, Non-Executive Director and is also the Chairman of the Nomination and Remuneration Committee of Ooredoo Maldives.

He joined Ooredoo Qatar in July 2009 as Director – Quality and Business Processes. In 2012, the Board of Ooredoo Group assigned Dr. Marafi to work in Ooredoo Kuwait, where he undertook different roles from establishing a Business excellence office to handling PMO and Customer Experience and eventually heading the Strategy and CEO Support Office. In 2017 he was assigned to Head the ERM at the Ooredoo Group.

Prior to joining the Ooredoo Group he held the positions of Assistant Professor and Acting Vice Dean at Qatar University.

Dr. Marafi holds a PhD in Mechanical Engineering from Hertfordshire University, United Kingdom.



Mr. Ian Grant Fenton

Mr. Ian Grant Fenton is an Independent, Non-Executive Director and is also the Chairman of the Audit Committee of Ooredoo Maldives.

He has been with the Ooredoo Group since 2008. He currently serves as the Executive Director Group Finance and Taxation. Mr. Fenton oversees Group Statutory Reporting, Financial Earnings Release and Group Tax Function.

Mr. Fenton holds a Bachelor of Commerce (Finance, Accounting and Systems) from the University of New South Wales, Australia and is also a Certified Public Accountant (CPA – Australia).



Mr. Khalid Hassan M A Al-Hamadi

Mr. Khalid Hassan M A Al-Hamadi is an Independent, Non-Executive Director and is a member of the Audit Committee and the Nomination and Remuneration Committee of Ooredoo Maldives.

He joined Ooredoo Qatar in 2008 and currently is a Senior Director in Consumer Sales at Ooredoo Qatar. He brings a rich experience of over 15 years in the Oil and Gas industry with international experience and he has also worked with General Electric in Florence, Italy. He used to be the Head of Planning and Strategy and was key to implementing the reorganization initiative in Sales and Service with passion and commitment to take this department to higher levels.

Mr. Al-Hamadi has a Bachelor of Science in System Engineering from the University of Arizona.



Uza. Dheena Hussain

Uza. Dheena Hussain is an Independent, Non-Executive Director and is a member of the Nomination and Remuneration Committee of Ooredoo Maldives.

She is a Founding Partner of the law firm Shah, Hussain & Co. Barristers and Attorneys.

Ms. Hussain has also served the Government of Maldives in a number of capacities; including postings with the Ministry of Defence and National Security and the Maldives Police Service. She was also a member of the Drafting Panel of the Special Majlis (Constitutional Assembly) which drafted the 2008 Constitution of the Maldives.

Ms. Hussain is licensed to practice before the courts of the Maldives including the Supreme Court of the Republic of Maldives. She graduated in Law from the University of Birmingham in 1996, was called to the Bar by Lincoln's Inn in 1997 and obtained a Master's degree in Banking and Finance Law from the University of London in 2003.



Mr. Ahmed Zuhoor

Mr. Ahmed Zuhoor is an Independent, Non-Executive Director.

He has previously held the portfolio of the Commissioner General of Customs, the Minister of Health, the Minister of Youth and Sports, the Minister of Home Affairs, the Minister at the President's Office and the Chair of the Economic and Youth Council in the Maldives.

Mr. Zuhoor has tremendous experience in executive management and business development having served as General Manager and Chief Engineer in various companies.

He holds a Master of Accounting and Financial Management from La Trobe University, Australia, a Master of Business Administration from La Trobe University, Australia, a Master of Science from the World Maritime University, Sweden. He is also a Marine Engineer Class One from the Royal Melbourne Institute of Technology, Australia and Engineering Competency Class One Unlimited, Australian Maritime Safety Authority



Mr. Thavabalan Poobalasingam

Mr. Thavabalan Poobalasingam is the Chief Financial Officer ("CFO") of Ooredoo Maldives since December 2017 and is a Non-Independent, Executive Director.

Mr. Thavabalan has nearly 26 years of international experience in various finance roles based in Qatar, Myanmar and Malaysia. His finance experience spans across various multinational groups in the Telecom, IT, Banking, Oil & Gas and Manufacturing industries, of which approximately 18 years was spent within the Telecommunications industry. He joined the Ooredoo Group in 2008 and held the role of Director Finance & Taxation before moving to Ooredoo Myanmar as Financial Controller of a greenfield operation in 2013, his last role prior to assuming the current role as CFO of Ooredoo Maldives.

Mr. Thavabalan is a member of the Association of Chartered Certified Accountants ("ACCA"), UK.

Our Team



Mr. Najib Khan

Chief Executive Officer

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He joined the Ooredoo Group in November 2014 as a Senior Director in the Commercial Division. He has experience of nearly 26 years in the telecoms sector including his role as a CXO for about 9 years in various departments of Bharti Airtel Limited in India.

Mr. Khan has significant experience in managing B2B, Wholesale and B2C commercial activities with an impressive skill set spanning operations, product P&L management and business development.

Mr. Khan has a Bachelor of Science in Industrial Electronics Engineering from Mumbai University.



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Mr. Thavabalan is a member of the Association of Chartered Certified Accountants (“ACCA”), UK.



Mr. M S Tanwar

Chief Technology Officer

Mr. M. S. Tanwar has served as the Chief Technology Officer of Ooredoo Maldives since July 2016 onwards.

Prior to joining Ooredoo Maldives, he worked with Ericsson, Nokia and Tata in India, Africa and Europe serving large telecommunications companies such as Airtel India, Airtel Africa, H3 Ireland, Open Eir Ireland and Vodafone India. With over 27 years of experience in telecommunications services, he possesses vast knowledge and rich experience in R&D, network engineering, projects, operations and business development.

Mr. Tanwar holds a Bachelor’s Degree in Electronics and Communications Engineering and a Master’s in Business Administration in Operations Management. He has also completed post-graduate education in Marketing Management. He successfully completed the Leadership Development Program from the Indian School of Business, Lead Auditor of Quality Systems from Cranfield University, UK and an Executive Leadership Program from PDI Sweden.



Mr. Balaji Srinivasan

Chief Commercial Officer

Mr. Balaji Srinivasan has served as the Chief Commercial Officer of Ooredoo Maldives from November 2015.

Mr. Balaji has over 23 years of commercial experience. He has held leadership positions in companies such as IDEA Cellular Limited and Essar Telecom Kenya Limited. He has also held roles and responsibilities as Director Marketing and Customer Experience, handling all telecom marketing verticals and customer service delivery in addition to Mobile Money and Enterprise Solutions for Essar Telecom Kenya Limited.

Prior to his current appointment, he held the post of Vice President, Marketing at IDEA Cellular Limited.

Mr. Balaji holds a Bachelor of Commerce Degree from Madras University and is currently pursuing his Post Graduation in Business Management from the Narsee Monjee Institute of Management Studies, India.



Mr. Mohamed Shahid

Director Human Resources And Administration

Mr. Mohamed Shahid joined Ooredoo Maldives in August 2008, and currently holds the position of Director - Human Resources and Administration. Prior to joining Ooredoo Maldives, Mr. Shahid worked at the Coast Guard of the Maldives National Defence Force for 14 years, where he held key roles and responsibilities in managing the Operations Department, Training and HR Department.

Mr. Shahid holds a Master of Business Administration with a major in Entrepreneurship. In addition to this, he has undergone training in various areas of HR, covering Performance Management and Succession Management from UNI Strategic Singapore, Compensation and Reward Management, Job Evaluation Analysis and Design from IIR Dubai, and Strategic Human Resource Management from the National University of Singapore.



Mr. Hussain Zareer

Director Finance

Mr. Hussain Zareer joined Ooredoo Maldives in May 2005, and currently serves as Director Finance. Mr. Zareer has more than 20 years of experience in Financial Management in different sectors and nearly 14 years of experience in the telecommunications sector, having held key positions such as Acting Operations Controller and Financial Controller of Ooredoo Maldives. Prior to joining the Telecom industry, Mr. Zareer worked in the Public Sector and Tourism Sector for more than 8 years.

Mr. Zareer holds an Advanced Diploma in Management Accounting and is an Associate Member of the Institute of Financial Accountants, United Kingdom and the Institute of Public Accountants, Australia. He has also completed the Ooredoo Leadership Development Program which was conducted by the Ooredoo Group in partnership with IMD.



Mr. Hussain Niyaz

Director of Sales, Distribution & Brand

Mr. Hussain Niyaz joined Ooredoo Maldives in April 2005, and currently serves as Director of Sales, Distribution and Brand.

Mr. Niyaz has nearly 14 years of experience in the telecommunications sector. He began his journey with Ooredoo Maldives as an RNE Technician, progressing onto senior roles such as Manager - Network Planning and Optimization, Head of Networks, Head of Sales, and Director Sales & Distribution.

Prior to joining Ooredoo Maldives, Mr. Niyaz worked for 12 years at the Maldives National Defence Force in the Communication, Electronics and IT Department.

Mr. Niyaz holds an Executive Masters in Telecom Management and in addition has completed training on Electronics and Communications at Fort Gordon - United States Army, Leadership Development Training from Centre for Creative Leadership, Singapore and has completed the Ooredoo Leadership Development Program which was conducted by the Ooredoo Group in partnership with IMD.



Mr. Shabeen Ali

Director Network & IT Planning

Mr. Shabeen Ali joined Ooredoo Maldives in May 2005, and currently serves as Director Network & IT Planning.

Mr. Shabeen has over 26 years of work experience in the Technology field which includes 13 years in the Telecom sector. He began his journey with Ooredoo Maldives as a technician progressing to senior positions such as Head of Operations, Head of Planning and Operations.

Prior to joining Ooredoo Maldives, Mr. Shabeen worked at the Maldives National Defence Force for 13 years in the Communication, Electronics and IT Department.

Mr. Shabeen holds an Executive Masters in Telecom Management and in addition completed training on Electronics and Communications at Fort Gordon - United States Army, and has completed a Leadership Development Program at CCL, Singapore.



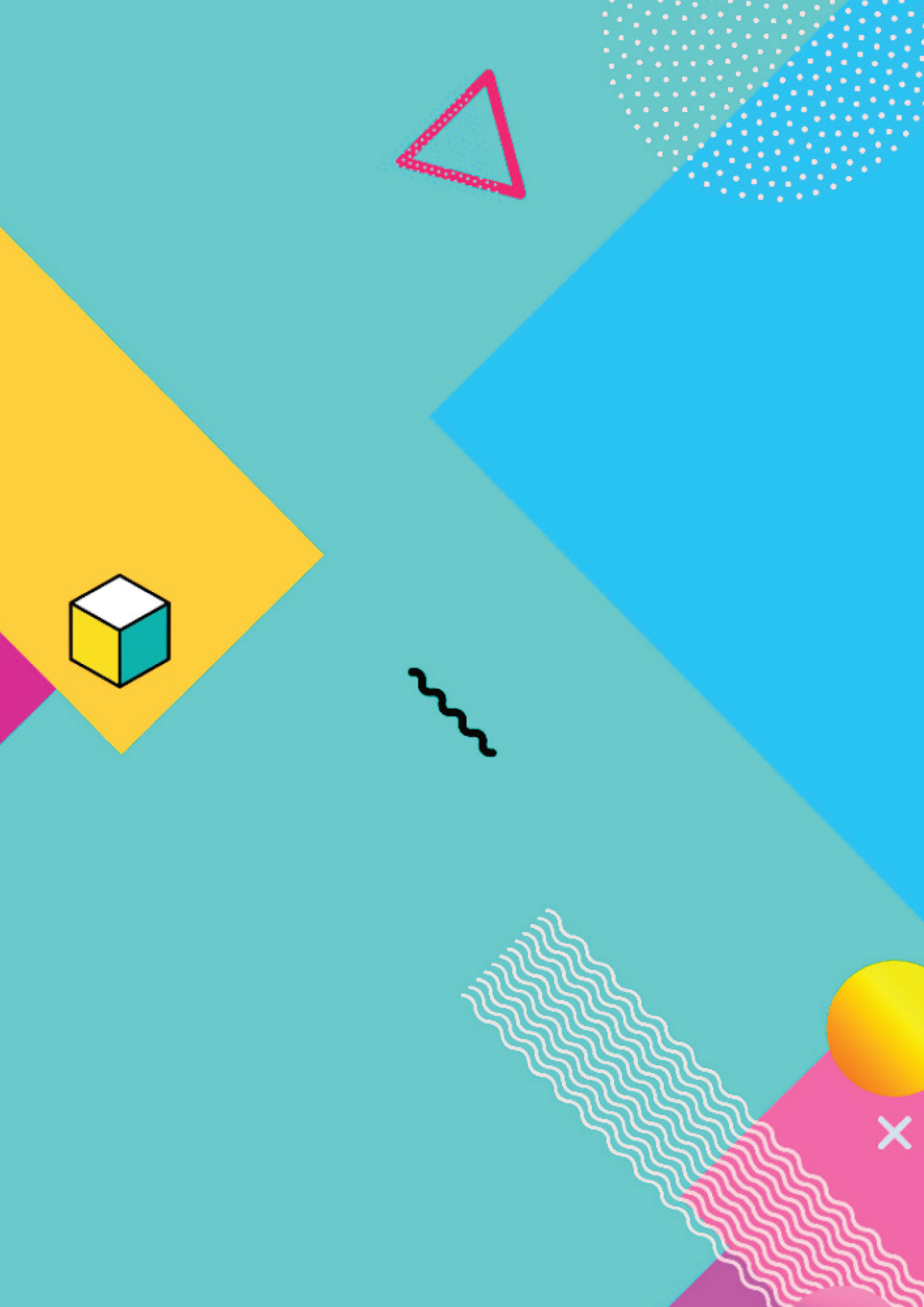
Mr. Prasanna Uchil

Head of Strategy & PMO

Mr. Prasanna Uchil joined Ooredoo Maldives in September 2017 and currently serves as Head of Strategy & PMO.

Mr. Uchil has over 17 years of experience in the telecom space in various capacities, leading teams in a matrix setup overlapping Project Management, Strategy, Business Development & Marketing. He has previously worked at companies such as TATA Communications, Reliance Infocomm and Global Cloud Xchange.

Mr. Uchil holds a Masters' Degree in Management Studies and a Bachelors of Engineering from Mumbai University.





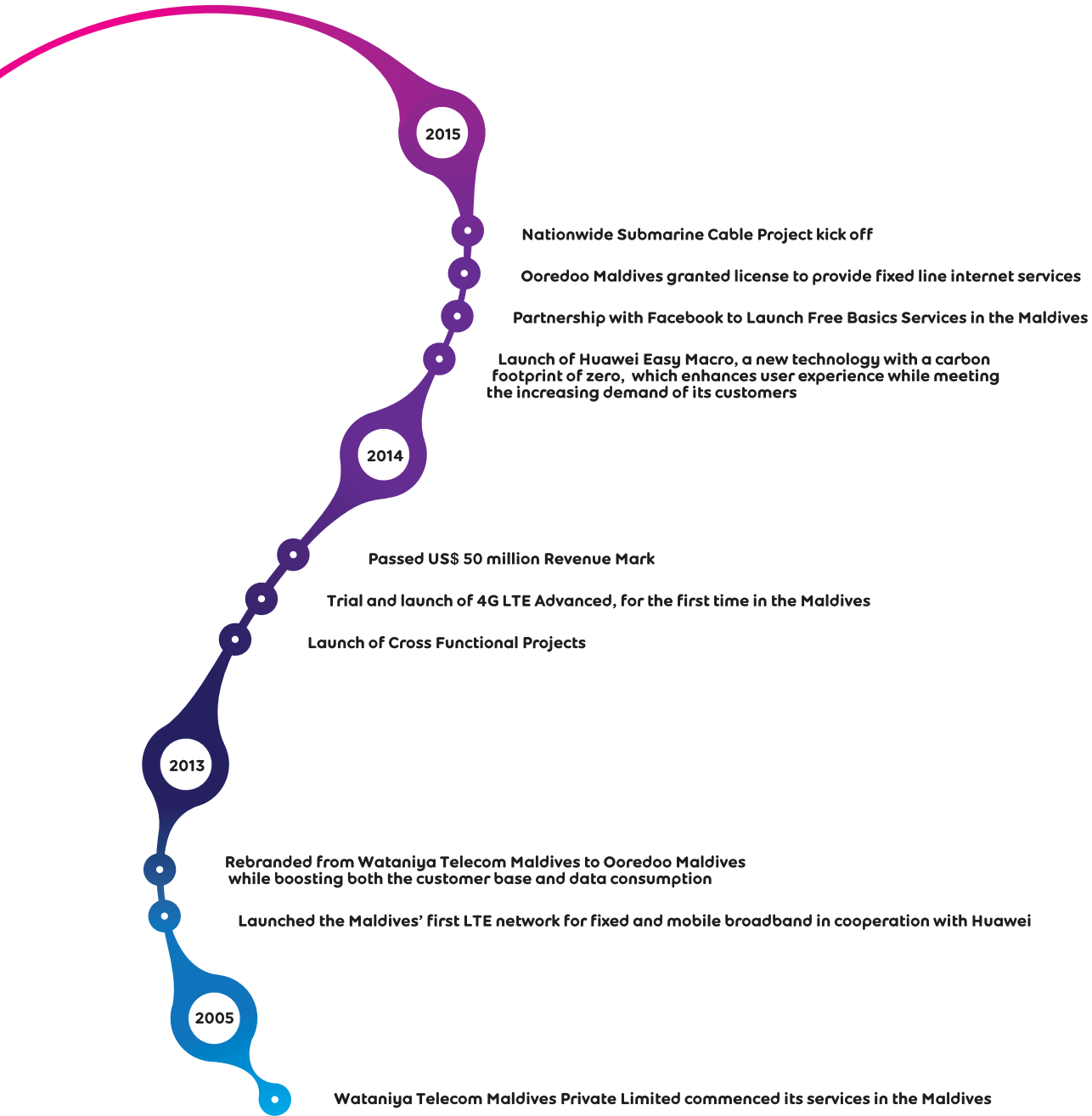


STRATEGIC REPORT

Key Milestones

(2013 to 2018)





Strategic Direction

DIGITAL MALDIVES

Further to our vision of Digital Maldives, we continue making strategic investments in our endeavour towards Digital transformation, to enrich the digital lives of people living in the Maldives and to expand on our network coverage. This has culminated in an acceleration of adopting digital platforms across channels, leading to enhanced customer engagement and overall customer experience.

Strong emphasis has been given to the four Digital Tenets; Digital Sales, Digital Care, Digital Skills and Digital Operations. Key achievements include the enabling of Digital payment access across all utility services and the launch of Digital Resort solutions for the resort segment.

Our vision of Digital Maldives is highly inclusive and envisions broadband access through our wide spread of 4G to every island, in every home especially the remote and thinly populated islands of the Maldives. We have completed expansion of fixed broadband to 20 islands in Maldives. We also completed the trial launch of 5G in Maldives featuring blistering speed, upholding our promise of consistently bringing the latest technologies and innovation to the people of Maldives.

Viber and Facebook Messenger became the newest social media channel for the Ooredoo Next digital engagement platform featuring artificial intelligence and machine learning with additional features like enabling subscriptions to add-ons, making bill payments and recharges. Digital entertainment solutions e.g. IPTV, Resort App was also launched for the hospitality segment to enhance overall guest experience.

We continue to delight with first ever access of Amazon Prime video through the Ooredoo app and also access of FIFA through the Ooredoo app.

Core Competencies

BRAND EQUITY

The strength of Ooredoo as a globally recognized brand with its brand equity valued at an astounding US\$ 3.4 billion by the world's leading branded business valuation firm Brand Finance in 2018, is a key asset to the Company. Since the launch of the Ooredoo brand in 2013, Ooredoo Maldives has undergone a major modernization process which included significant investments in network advancement, customer service revamps and enhancement of digital content.

LEADERSHIP TEAM WITH STRONG EXPERTISE

We are led by qualified telecommunication experts with extensive experience across the world. The depth and breadth of experience possessed by the leadership team has been a vital element in engineering the Company's successful growth trajectory. The strong leadership is complemented by a remarkably energetic and young workforce on the ground.

AGILE WORKING PRACTICE

We have adopted new agile ways of working in order to increase our productivity and efficiency by engaging small cross-functional teams for different business objectives focusing on performance and quality output. This approach is focused on bringing people, processes, connectivity and technology, together to find the most appropriate and effective way of working to carry out their tasks.

SUPERIOR DATA CONNECTIVITY

We have strengthened our presence of 4G across the nation by optimizing our network continuously. We have expanded our broadband services to 20 islands across the country. Our superior network coverage leads to enhanced data experience and higher quality of service to customers, strengthening our dominant position in the market.

CUSTOMER-CENTRIC PRODUCTS

We endeavour to consistently develop products and service tailored to customer requirements and needs. Every product and service is specifically designed to cater to varied needs like the digital savvy youth population, the expatriate population, and people living on urban as well as remote islands. For the first time in Maldives, we have also started customized tourist packs for tourists.



Highlights of 2018



JANUARY 2018

New Radiant S.C appointed Brand Ambassador for Ooredoo Maldives



FEBRUARY

Awarded Global Best Employer Brand at the World HRD Congress 2018

Launch of Magey Plan v.2

Showcasing of Digital Customer Experience Solutions at the Mobile World Congress in Barcelona, Spain

Launch of Digital Literacy Program



MARCH

Varah Thafaathu Campaign

Launch of Varah Thafaathu Postpaid Plans

Earth Hour Celebrations with Samsung

Sci-Tech Festival 2018



APRIL

Endurance Athlete, Mr. Ahmed Athif announced as Brand Ambassador

SuperNet launched in B. Eydhafushi

Launch of Ooredoo Next on Viber



MAY

Children's Day Celebrations with New Radiant S.C

Ramadan Campaign

Main Partner of Mihaaru Sports Awards 2018

Presenting Partner of Official World Cup 2018 Russia Coverage in Maldives by PSM

Gold Partner of Travel Trade Fair 2018

Launch of Guesthouse Broadband Services

Annual General Meeting 2017



JUNE

Ooredoo Mas Race

Ooredoo World Cup Foari Campaign

Enjoy the Internet campaign with Messi

Promoting Disability Inclusive Development Forum

Eid Celebrations

Launch of SuperNet Business

Highlights Of 2018



JULY

Launch of NIRU Accelerator

Miyaheli Social Innovation Camp 2018

Donation of 3 Sea Ambulances to Ministry of Health

SuperNet Fixed Broadband launch in Addu City

Launch of LTE Roaming Services



AUGUST

Ooredoo Maldives celebrates 13th Anniversary

Ooredoo Maldives honored as Dream Company to Work for at Asia's Best Employer Branding Awards 2018

Launch of First Self Care App in Dhivehi Language

Launch of Maldivian Gas orders & payments through m-Faisaa

E'vee Campaign

NIRU Roadshows

Launch of Muslim Kids TV

Ooredoo wins 2 Ranlaari Awards

Launch of Community Development Hubs, in partnership with Allied Insurance & UNDP

Ooredoo Maldives wins Maldives Business of the Year: Telecommunications & Information and Innovative Business of the Year awards at the Maldives Business & CX Awards



SEPTEMBER

NIRU Hackathon 2018

SuperNet Fixed Broadband launch in GDh. Gadhdhoo



OCTOBER

Accelerator Phase begins for NIRU 2018

Urban Innovation Challenge

Ooredoo Maldives wins Bronze Stevie Award for Most Innovative Company of the Year



NOVEMBER

Color a Life Blood Donation Camp

Gudi Mahaasamaa

Ooredoo Color Run 2018

Ooredoo Color Run Music Show

SuperNet Fixed Broadband launch in ADh. Maamigili

Digital Resorts Portfolio unveiled

Showcasing of 5G Capabilities with speeds of 1.8 Gbps

Revamp of SuperNet Packages

Digital Hour initiated at Contact Center



DECEMBER

SuperNet Fixed Broadband launch in R. Dhuvaafaru, L. Thundi & Mathimaduraa, GDh. Thinadhoo, Dh. Kuda Huvadhoo and Th. Thimarafushi

Launch of Masveringe Pack

Amazon Prime Video Offers

Platinum Partner, MATATO Travel Awards

Ooredoo Maldives wins Excellence in Information and Communication in the Maldives Business Awards 2018

Ooredoo Maldives wins Foreign Direct Investment of the Year in the Maldives Business Awards 2018

Ooredoo Maldives wins Best Investor Relations Company Maldives 2018 for the 2018 Global Banking and Financial Awards

Brand Building Activities

VARAH THAFAATHU CAMPAIGN:

A brand campaign that highlights “We are all different”. Our customers have different hopes, dreams and ambitions. As a community focused company, we want to support them in achieving these goals. With focus on localisation, the “Varah Thafaathu” campaign celebrates the differences which makes our communities so great, and our continuous efforts to provide unique and innovative solutions which can help our customers achieve their various goals. Be it network, products or customer care – we stand out.



POSTPAID “VARAH THAFAATHU” CAMPAIGN:

Our Varah Thafaathu Postpaid packages offered the best value in the market at the most affordable prices, and comes with unlimited calls, SMS & data to be enjoyed on our 4G+ network.



DIGITAL “EVEE” CAMPAIGN:

Evee – a fun campaign which creates awareness on our digital services and advocates its use for ease of access and convenience. Through a lively musical, the campaign promotes services that are available to customers at the snap of a finger via our digital platform - My Ooredoo App, Magey Plan, Ooredoo Next and m-Faisaa.



RAMADAN CAMPAIGN:

The month of Ramadan is a time to re-connect and strengthen our bond with loved ones. Our campaign video took a look into the past through the eyes of a grandmother, to the traditional celebration of Ramadan. It explored the current differences in the relationships with loved ones and neighbors as compared to the past, and encourages people to re-create the sense of community which the Maldives is known for.





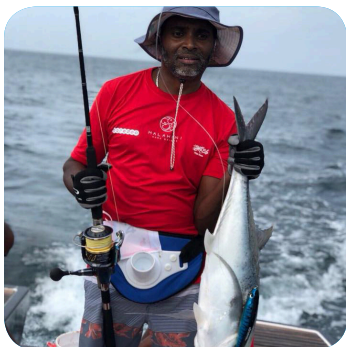
WORLD CUP CAMPAIGN:

“Ooredoo World Cup Foari”, an exciting campaign for the 2018 FIFA World Cup Russia™ aimed at enhancing the world cup experience for our customers and the people of Maldives was launched. Many different services were offered under this campaign including; Live Streaming World Cup matches, chance to play FIFA World Cup Fantasy and Guess the Winning Team.



DIGITAL RESORT CAMPAIGN:

Ooredoo Business unveiled its Digital Resorts portfolio, personalized for the Maldivian tourism sector. It aims to connect local resorts to the next wave of smart hospitality services including customized mobile apps, next generation in-room services, world class entertainment and more.



MAS RACE 2018:

Ooredoo Mas Race, the popular fishing challenge was re-launched and opened up to Government, State Owned Entities, companies, as well as resorts across the nation. The qualifying rounds were held in April 2018, while the semi-final and final matches were held during the month of Ramadan.



COLOR RUN 2018:

Ooredoo Maldives Color Run 2018, a fun-filled 5K run, was much more exciting in 2018. The day started off with a kite festival and ended with a music show to make it even more exciting and memorable for families and friends.





KEY SPONSORSHIPS



FIFA WORLD CUP

Ooredoo Maldives was the presenting sponsor of PSM Coverage for 2018 FIFA World Cup Russia™.



MATATO

Ooredoo Maldives was the platinum partner for the Maldives Travel Awards 2018.



NEW RADIANT S.C

The renowned football club New Radiant S.C became Ooredoo Maldives' brand ambassador. New Radiant has remained the nation's favorite team over the past decades, winning all local titles in the Maldives, with the record for the most number of trophies. It is also the most successful Maldivian club in the international arena.



TTM

Ooredoo Maldives was the Gold Partner for the 2nd edition of the International Travel Trade Show of Maldives ("TTM").

Commercial Highlights

Voice, Data and CVM

Introduction of the first truly unlimited on-net package for prepaid customers

Unveiling of new Data Portfolio

Revamp of the Mini Data Pack portfolio

Launch of personalized data packs based on customer behavior, including Magic Data

Launch of Social Packs for WhatsApp, Viber, Snapchat, Instagram, Wechat

Launch of Movies and Music Pack for Netflix, Iflix, Tik Tok and SoundCloud

Launch of Magey Plan specific promos, including Double Data and Bundled Minutes offer

Revamping of Tourist Packs with bundled benefits for search engines & social apps, as well as the introduction of pre-booking service for the packs offering added ease for international customers

Promotions on My Ooredoo App including 2.5% cashback offers and bonus data on selected recharges

Postpaid Business

Launch of Varah Thafaathu Postpaid Packages

Launch of contract based offers for Postpaid Customers

Postpaid Data Boosters launched, offering 1.6 times more data for unlimited postpaid plan customers

Portal launched for Ooredoo Workgroup Customers

Launch of Masveringe Package

International Services

Launch of LTE Roaming Services

SuperNet & Home Broadband

SuperNet Network expansion across 20 new islands, with the addition of 500 new users and over 70% growth in SuperNet Active base

Revamp of SuperNet products including the introduction of a new 2M pack and increased FUPs across the portfolio

Fixed Broadband expanded across 100% of Addu Region

Loyalty Programs

Enabled conversion of Vedhun Points to m-Faisaa

Launch of digital membership card on My Ooredoo App for Club Premier customers

Onboarding of additional partners for Club Premier Program including restaurants, gyms, fitness groups, retail shops and more across the nation

Implementation of VIP Helpline (999) for premium customers

m-Faisaa

Payment of most utility bills in the Maldives on a single platform, inclusive of Maldivian Gas, Maldives Water & Sewerage Company ("MWSC"), Medianet, State Electric Company Limited ("STELCO") and more

Expansion of distribution network for digital financial services to over 80 distributors nationwide

Launch of digital payments solution for non-tech companies and businesses i.e. ordering of utilities, schools fee payments, subscription payments etc

Enabling of donations through m-Faisaa for NGO's including Maldivian Thalassemia Society and Cancer Society of Maldives

Digital Platforms

Enabled live streaming of the FIFA World Cup on My Ooredoo App for the first time in the Maldives, via an exclusive partnership with the official broadcasting partner PSM

Expansion of AI powered Ooredoo Next to Viber, thus allowing mobile users in the Maldives to easily engage with Ooredoo Maldives and manage their services within the popular chat application

Increased focus on Social Media, leading to a 77% increase in usage

Launched digital Customer Feedback Portals at all customer touch points

Ooredoo Maldives' distribution network extended to all parts of the Maldives through an online portal, enabling a digital way of working and added convenience to customers

Commencement of Digital Hour at Contact Center, leading to a significant increase in digital interactions

Content and Devices

Ooredoo Maldives teamed up with Amazon to launch special offers for Prime Video in the Maldives, enabling easy access to thousands of digital entertainment content for customers. This led to over a thousand subscribers within the first two days alone

Launch of iPhone 8 and 8 Plus in the Maldives, in partnership with Apple

Launch of P20 and P20 Pro phones in the Maldives, in partnership with Huawei

Launch of Samsung Note 9 in the Maldives, in partnership with Samsung

Muslim Kids, an online educational video service for kids was launched during the Eid al-Fitr holidays

Launch of OpenMiTV, a TV everywhere application with more than 40 channels in partnership with leading cable TV operator Medianet

Launch of ReethiTunes on Web

Introduction of BongoBD, a Bangladeshi Movies and Series portal in the Maldives with a special subscription based product tailored for the segment

Ooredoo Business (B2B)

A State Owned Utility Company on boarded to connect nationwide branches through one network, enabling high speed internet connectivity throughout all locations, thereby improving efficiency and reducing cost of operations

Guesthouse Broadband and SuperNet Business launched for Guesthouses and Small and Medium Enterprises segment to cater to the growing internet need and enhance browsing experience for travellers

Digital Resort solutions inclusive of Digital Entertainment ("IPTV"), Digital Hub (GPON), Digital HR (Cloud Based HR Solution) and Digital Resort App launched to support the digital transformation in the hospitality sector and enhance a differentiated guest experience

Launch of SDWAN (Software Defined Wide Area Network) service for Corporate, Resorts and Enterprise customers



Awards and Recognitions

Bronze Stevie Award for Most Innovative Company of the Year
2018 INTERNATIONAL BUSINESS AWARDS (IBA)

Best Investor Relations Company Maldives 2018
2018 GLOBAL BANKING & FINANCE AWARDS

Global HR Excellence Award for Best Strategy in line with Business
Global Best Employer Brand for Excellence in HR through Innovation
Global Best Employer Brand for Talent Management
WORLD HR CONGRESS 2018

Dream Company to Work For
Best Employer Brand Award
Award for Institution Building
ASIA'S BEST EMPLOYER BRANDING AWARDS 2018

Award in the category of "Business Profit Tax"
Award in the category of "General Goods and Service Tax _ Large Business"
RANLAARI AWARD 2017

Foreign Direct Investment of the Year
Excellence in Information and Communication
MALDIVES BUSINESS AWARDS 2018

Maldives Business of the Year: Telecommunication and Information
Innovative Business of the Year
MALDIVES BUSINESS & CX AWARD 2018

Excellence in Leveraging HR Technology
MALDIVES HR AWARD 2018

Shortlisted for Operator of the Year
Shortlisted for Digital Lifestyle Award
ASIA MOBILE AWARDS 2018

Shortlisted for Best Mobile Innovation for Education & Learning (Ooredoo Smart Campus)
GSMA'S GLOBAL MOBILE AWARDS (GLOMO)

Shortlisted for the Mobile Money Mastery Award (Ooredoo m-Faisaa)
GLOBAL TELECOM AWARDS 2018

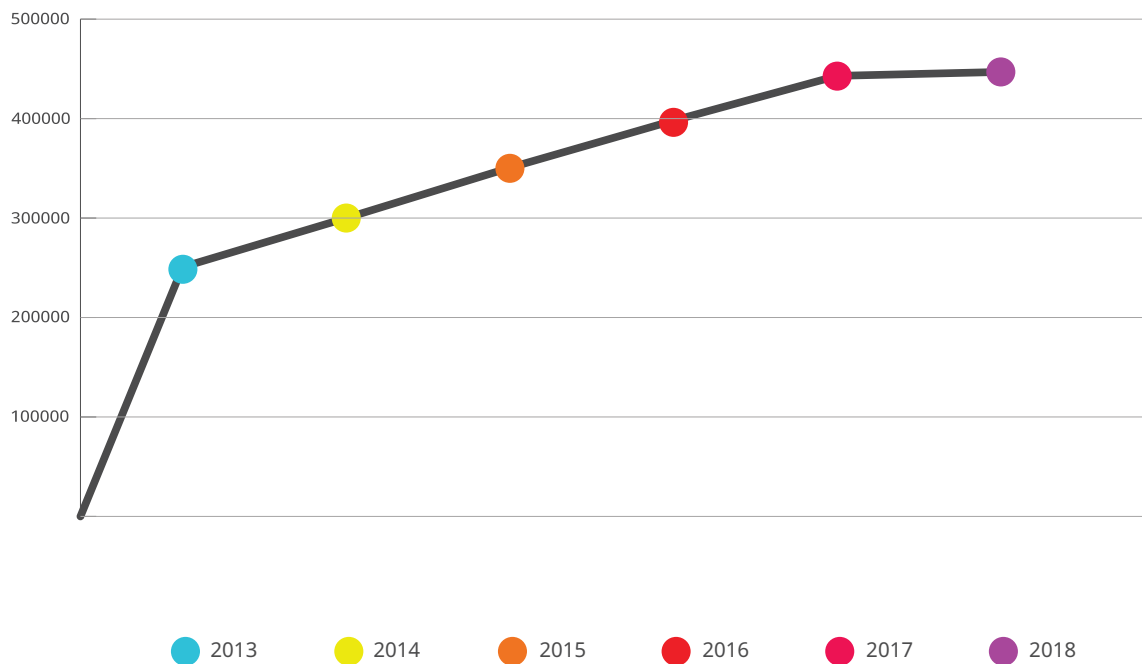
Shortlisted for the Digital Lifestyle Award
WORLD COMMUNICATION AWARDS 2018

Shortlisted for Best Mobile Carrier
Ooredoo m-Faisaa Shortlisted for Best Mobile Payment Service
Ooredoo's Digital Customer Experience Shortlisted for Most Innovative Approach to Customer Experience
TELECOM ASIA AWARDS 2018

Our Reach

Our Customer base

Our customer base has been strong and consistent in growth. We have reached over 440,000 subscribers by 2018 end with CAGR of 12.4% over the last 5 years.



Our Customer Touchpoints

We have 4 digital channels, 10 Ooredoo Experience Centres for our customers across the country and our Club Premier Lounge for club premier customers. Our presence across the nation is further strengthened by a strong network of business partners and sales partners.



CONTACT CENTRE

999, 929, 333, 221, 120



DIGITAL CHANNELS

Ooredoo Next (Viber, Facebook Messenger)

My Ooredoo App

Ooredoo Website

My Ooredoo web portal



OOREDOO EXPERIENCE CENTRES

Male'

Hulhumale'

Velana International Airport

L. Gan

S. Feydhoo

S. Hithadhoo

GDh. Thinadhoo

HDh. Kulhudhuffushi

B. Eydhafushi

Gn. Fuvammulah



CLUB PREMIER LOUNGE — MALE'

Business Partners & Sales Partners

256



FINANCIAL PERFORMANCE

Ooredoo Maldives recorded a revenue growth of 6% for the financial year 2018, as we continued to deliver value to our shareholders and customers. Despite the slower growth in the market the Company continues to maintain year on year growth.

The Ooredoo Maldives Group achieved an EBITDA of MVR 929 million for the year, with a growth of 1% in EBITDA in 2018. Profit After Tax ("PAT") margins declined from 31.5% in 2017 to 27.9% in 2018 due to a one off income recognized in 2017 for the reversal of impairment of intangible assets relating to the subsidiary company WARF Telecom International Pvt Ltd, amounting to over MVR 35 million. Ooredoo Maldives delivered a PAT of over MVR 545 million in 2018. Earnings Per Share ("EPS") for the year is at MVR 3.64 as we continue to yield value for our shareholders. Ooredoo Maldives therefore, proposes a dividend of MVR 3.22 per share for the year, which is equivalent to 88% of Total Comprehensive Income Attributable to Owners of the Company for 2018.

REVENUE – MVR 1,951 M

Our revenue increased by MVR 107 million in 2018 (6%) mainly derived from Enterprise segments together with Fixed Business. Growth in customer base and innovative product offers focused on customer needs is the primary reason for this significant increase in revenue.

EBITDA – MVR 929 M

Ooredoo Maldives Group achieved an EBITDA of MVR 929 million with a growth of 1% in EBITDA despite an increase in operating costs, primarily due to an increase in the direct cost of service delivery.

PROFIT AFTER TAX – MVR 545 M

During 2017, there was a reversal of impairment of intangible assets relating to the subsidiary company WARF Telecom International Pvt Ltd, amounting to over MVR 35 million. Excluding the one-off adjustment, the PAT was maintained year on year. PAT for the year 2018 is at MVR 545 million.

EARNINGS PER SHARE – MVR 3.64 PER SHARE

As a result of the decrease in PAT, basic and diluted EPS declined by 4% to MVR 3.64 during 2018.

DIVIDEND – MVR 3.22 PER SHARE

For the financial year 2018, a total dividend of approximately MVR 476 million is proposed to be paid to the shareholders (MVR 3.22 per share). This represents a dividend pay-out ratio of 88% of the Ooredoo Maldives Group's Net Profit and a dividend yield of 9%.

MVR	2018	2017
Earnings Per share	3.64	3.78
Dividend per share	3.22	3.20
Dividend payout ratio (% of PAT)	88%	85%
Dividend Yield	9%	9%
Net Asset Value Per Share	7.94	8.35

ASSETS & ROCE

At the end of 2018 the Ooredoo Maldives Group's total asset base stood at MVR 3.3 billion with net assets value of MVR 1.2 billion. Return on Capital Employed ("ROCE") for the Ooredoo Maldives Group was 37.1% by the end of 2018.

CAPITAL INVESTMENT

Total capital investment in 2018 was MVR 189 million in network capacity improvements, coverage enhancements and expansions.

FREE CASH FLOW

Free cash flow (cash flow from operating activities less capital expenditure) was MVR 424 million for 2018.

SUBSIDIARY PERFORMANCE

WARF Telecom International Private Limited ("WARF"), a subsidiary of Ooredoo Maldives, achieved a revenue of MVR 77.3 million and PAT of MVR 19 million during the year ended 2018, WARF's contribution to the Ooredoo Maldives Group's PAT stood at over 3% in 2018, and its net assets of MVR 312 million accounted for approximately 25% of the net assets of the Ooredoo Maldives Group.

Revenue

1,951 **6% ↑**



Amount in MVR (Millions)

Total Assets

3,287 **1% ↑**



Amount in MVR (Millions)

EBITDA

929 **1% ↑**



Amount in MVR (Millions)

Current Liabilities

1,523 **-7% ↓**



Amount in MVR (Millions)

Profit After Tax

545 **-6% ↓**



Amount in MVR (Millions)

Non-current Liabilities

530 **20% ↑**



Amount in MVR (Millions)

Earnings Per Share

3.64 **-4% ↓**



Per Share

Net Assets

1,234 **5% ↑**



Amount in MVR (Millions)

SHARE INFORMATION

SHAREHOLDING

There have been no changes to the shareholding percentages or number of shares of the Company as stated in the following table during the year 2018.

SHAREHOLDING	%	NUMBER OF SHARES
Wataniya International FZ-LLC	90.5%	133,755,130
Public	9.5%	14,045,271
Total		147,800,401

SHARE TRADING

The shares held by the public have been traded as follows:-

Highest Traded Price	MVR 45
Lowest Traded Price	MVR 32
Last Traded Price	MVR 35
Number of Shares Traded	4,862 Shares
Number of Trades	35 Trades
Weighted Average Traded Price	MVR 34.64
Market Capitalisation	MVR 5,173,014,035.00







ENRICHING SUSTAINABLE DEVELOPMENT

Ooredoo Maldives' vision is to enrich lives as a digital enabler, thus connecting our communities to new opportunities for progress. As we continue to grow and achieve new breakthroughs in the Maldives, our focus on sustainability remains at the core of everything that we do.

It's an honor to highlight the work done to manage our economic, social and environmental impact, aligned with our corporate values of Caring, Connecting Challenging, our work to support the United Nations Sustainable Development Goals ("SDGs") and the Ten Principles of the United Nations Global Compact ("UNGC") of which we have been a signatory since February 2012.

Our work in these areas would not have been possible without the dedication and passion with which the Ooredoo Maldives team volunteered their time and efforts for our community engagement projects.

As we look towards 2019, I remain confident that we will continue to support the digital lifestyles of our people, communities and businesses in the Maldives through sustainable technologies and services.



Najib Khan
Chief Executive Officer
Ooredoo Maldives



COMMITMENT TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

In October 2015, Ooredoo Maldives pledged its commitment to the United Nations Sustainable Development Goals (“Global Goals”), which aims to eradicate extreme poverty, improve the lives of people and create an all-round healthier world for tomorrow.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDGs”), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

These are ambitious targets which cannot be achieved without fully leveraging the reach and capabilities of mobile technology. Ooredoo Maldives continues its work to stimulate human growth and contribute to the sustainable development of local communities across the nation.

With a strong belief in the transformative power of digital, Ooredoo Maldives is strongly aware of the role that it can play in supporting the achievement of the 2030 Agenda for Sustainable Development Goals; focusing on good health and well-being, quality education, gender equality, innovation, reduced inequalities, sustainable cities and climate action.



DONATION OF SEA AMBULANCES

Ooredoo Maldives donated 3 sea ambulances to the Ministry of Health in the Maldives. The donation comes following the Company's earlier commitment to support the Government of the Maldives in providing quality healthcare to its citizens.

The donation aims to support the nation's existing sea ambulance fleet, which operates from across the country and plays a vital role in delivering health care to people living throughout the highly dispersed islands.

This partnership is being taken even further with the introduction of Mobile Health Clinics program in the Maldives, with the support of the Ministry of Health, the Maldives National Defence Force and the Maldivian Red Crescent. A global initiative undertaken by the Company, Ooredoo Mobile Health Clinics travel to rural and remote communities to provide free medical treatment, share nutritional advice and distribute vitamins. The program aims to play an educational role, teaching parents and children about the importance of a healthy lifestyle and of disease prevention. Along with its partners, Ooredoo Maldives aims to expand this program to smaller islands in the Maldives, which can truly benefit from the program.

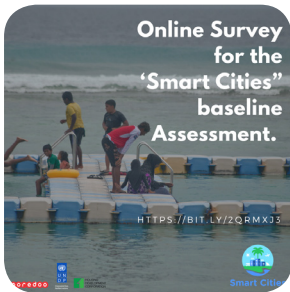


SMART CITIES PROJECT

Ooredoo Maldives in partnership with UNDP Maldives and the Housing Development Corporation (“HDC”) launched the ‘Smart Cities’ Project which aims to offer innovative, smart solutions for urban challenges through ensuring that the technological solutions introduced in Hulhumale’ - the future smart city, remains inclusive and accessible to all of its population.

Our initiatives are aimed to positively impact all residents of Hulhumale’ particularly vulnerable groups such as women and youth, people with disabilities and the elderly. Our initial focus will be on the aspects of smart people, smart living and smart mobility.

A NUMBER OF INITIATIVES WERE CARRIED OUT UNDER THIS PROGRAM:



SMART CITIES BASELINE ASSESSMENT

This was an assessment conducted as part of the Smart Cities Project to create a baseline, in order to understand how community-level interventions or housing management improvements could create a better life for people in Hulhumale’. The survey collected information in 4 major areas including the demography, lifestyle, living standards and the challenges faced by the population living in Hulhumale’. The survey also aims to understand the vision of Maldivians for Hulhumale’. The aggregated data from the survey after analysis was shared with the respective stakeholders and defined next steps in the Smart Cities Project.



SMART INCLUSIVITY CAMPAIGN:

The Smart Inclusivity Campaign was continued to promote inclusivity within Smart Cities. The campaign focuses on persons with disabilities as both beneficiaries and agents of change, who can fast track the process towards inclusive and sustainable development. Public announcement videos were created with support from the Maldives Association of Physical Disables (“MPAD”), the Blind Association of Maldives and the Maldives Deaf Association to create awareness.



CODING CAMP:

Arming young people with the knowledge of coding could lead them to use technology to develop unique solutions for their everyday challenges they face within their communities. As such, a Coding Camp was successfully held during the mid-semester break, for students between 10 to 15 years in age.



SCI-TECH FESTIVAL:

Ooredoo Maldives' Sci-Tech Festival returned in March 2018, this time in collaboration with UNDP Maldives & HDC. In this digital world, science and technology have become a crucial component in ensuring a better future. It is important to inspire the next generation of innovators through initiatives which make young girls and boys excited about science and technology. SciTech Kids Festival focuses on just that, with fascinating experiments, interesting exhibits and exciting games for children.



PROMOTING DISABILITY INCLUSIVE DEVELOPMENT FORUM

This was a first forum of its kind to discuss how to make development disability-inclusive and was held in June 2018 with the aim of reviewing and improving accessibility and inclusivity of Persons with Disabilities. Evidence and experience shows that Persons with Disabilities continue to experience barriers to participation in all aspects of society. When barriers to their inclusion are removed, Persons with Disabilities are empowered to participate fully in societal life, and the entire community benefits. Even though the Maldives Disability Act enacted in 2010 emphasizes on accessibility, there remain shortfalls and challenges in the implementation of it. This forum assisted in nurturing a culture where multiple stakeholder's takes into account the various challenges faced by Persons with Disabilities, and find ways on removing barriers that prevent this.



URBAN INNOVATION CHALLENGE

The theme of the Urban Innovation Challenge focused on Hulhumale', is "Solutions for Public Services, Increasing Urban Resilience" while the main focus points of the program will be social housing, urban mobility and urban waste reduction and management. The challenge provides an opportunity for Maldivian youth to work with respective organizations, to co-create solutions to urban challenges by strengthening technological and innovative mechanisms to increase urban resilience.



NIRU ACCELERATOR PROGRAM

Ooredoo Maldives launched NIRU Accelerator, a first of its kind learning based business accelerator program in the Maldives, for innovative start-ups run by Maldivian entrepreneurs who are passionately working towards social change.

Interested innovators took part in the entry point for the accelerator program – the Ooredoo Maldives Hackathon which took place from 31st August to 1st September 2018. The Hackathon guided participants on idea generation, foundations of business, and provide the digital tools to build an initial prototype.

Teams that passed through to NIRU Accelerator gains access to seed funding, a 12-week long intensive mentor based learning program, co-working space, digital tools for building their business and the essential technical support from experts. This includes access to the Ideamart platform which allows developers and content providers to use the Ooredoo network based features via shared APIs, and monetize their efforts.

At the end of the program, start-ups also receive the chance to pitch for further investments. NIRU Accelerator also connects participants to life-long partnerships and opportunities even after the end of the accelerator program, making them part of a vibrant community working towards a better world.



MIYAHALI SOCIAL INNOVATION CAMP

Ooredoo Maldives partnered with the United Nations Development Programme (“UNDP”) in the Maldives to launch “Miyaheli”, the Social Innovation Camp for youth from 5th to 8th July 2018 in V. Thinadhoo. This is the third collaboration for this Social Innovation Camp. The first Miyaheli was held in 2016.

This year, Miyaheli was open for Maldivian youth aged 18-30 years from the Greater Male’ region. The five thematic areas for this year were: creating a peaceful and tolerant community; increasing women’s voices; using new technology to create successful businesses; building youth movements; and creating green innovation.

Miyaheli brought together ideas from the youth and used digital and non-digital tools to create both tech-based and non tech-based social innovations to pressing social issues, all in just one weekend. Two teams were awarded mentorship and training opportunities by the Business Centre Cooperation, as well as US\$ 3000 seed funding from Ooredoo Maldives and UNDP Maldives.



DIGITAL LITERACY PROGRAM

Ooredoo Maldives strongly believes in the power of digital communications in enriching lives and that it is something that everyone should have access to. The world is becoming increasingly digital, from the way people communicate to everyday activities such as paying bills, getting access to healthcare and more. It is imperative that nobody gets left behind.

In partnership with Women on Boards, the Digital Literacy Program was initiated as part of Ooredoo Maldives’ digital inclusivity strategy and its work to support a Digital Maldives. The program focused on teaching digital skills to senior citizens, from how to use a smartphone and the latest apps, to ensuring their safety while using mobile phones and internet. This program is a long term project by Ooredoo Maldives, which is being continued across the Maldives.



WHITELISTING OF WEBPAGES OF NGOS

As per a pledge made by the CEO Mr. Najib Khan at the Promoting Disability Inclusive Development Forum, Ooredoo Maldives whitelisted the webpages of selected NGOs & organizations which work towards achieving SDG’s. This will allow members of the public to access the webpages without any data charges, thus allowing them to stay connected & up to date with the NGO’s activities.



PARTNER FOR ALLIED COMMUNITY DEVELOPMENT HUB

As a start to the Premium for Good initiative, Allied Insurance and UNDP Maldives along with Ooredoo Maldives will be working together under the community Hubs project where vulnerable communities are able to acquire technological skills which broaden their horizons, additionally prepares them for jobs which require computer literacy and also trains them to create localized solutions at the training.

The first community Hub was launched in B. Maalhos in September 2018. In addition to providing internet support to the community center, Ooredoo Maldives will also be providing internship opportunities to youth who receive training at the center.



AWARENESS CAMPAIGN FOR SCAM CALLS

Ooredoo Maldives launched an awareness campaign for scam calls, with a PSA video and social media messaging. As society becomes more and more dependent on smart phones, the campaign aims to make the community less susceptible towards digital fraud.



CELEBRATION OF INTERNATIONAL DAY OF HAPPINESS

Since 2013, the United Nations has celebrated the International Day of Happiness as a way to recognize the importance of happiness in the lives of people around the world. In 2018, Ooredoo Maldives joined the celebration with "Smile" cookies which were distributed to people in various parts of the Maldives, to create awareness of the day and show that even a little act of kindness can bring joy to people.



EARTH HOUR CELEBRATION

Ooredoo Maldives celebrated Earth Hour by switching off lights during the launch of Samsung Galaxy S9 in the Maldives, in solidarity with global efforts to secure nature and our home. The event also included a candlelit music show during Earth Hour.



INTERNATIONAL WOMEN'S DAY CELEBRATION

Ooredoo Maldives and UNDP Maldives together hosted a special talk for students on the occasion of International Women's Day 2018, featuring the Director of the United Nations Information Centre in Tokyo, Ms. Kaoru Nemoto. The event aimed to create conversation regarding challenges for young girls as they enter the work force and to inspire them to overcome these issues and achieve their dreams, whatever that may be.



DIFFERENT, NOT LESS EVENT, FOR AUTISM AWARENESS

Ooredoo Maldives was proud to support "Different, Not Less". This was an educational and awareness program about children with special needs for the people of M. Dhiggaru.



ENIGMA EXHIBITION, FOR CANCER AWARENESS & FUNDRAISING

Ooredoo Maldives was the Innovation Partner for Enigma Exhibition, which acted as a platform for the Cancer Society of Maldives ("CSM") to spread awareness on cancer and to raise funds through proceeds from paintings sold at the exhibition.



CELEBRATION OF CHILDREN'S DAY, WITH NEW RADIANT S.C

Ooredoo Maldives hosted a very special football match between New Radiant S. C and 60 young football enthusiasts, to celebrate World Children's Day 2018. The match featured 60 kids playing against 6 professional players from New Radiant S.C, with the "Varah Thafaathu Kids" team winning 7-0. The special match was held in the spirit of World Children's Day, and as a unique way for Ooredoo Maldives and New Radiant team to promote a love of football among young children.



EID CELEBRATION WITH OOREDOO MALDIVES

Ooredoo Maldives held a public event on Eid-ul Fitr, to celebrate the blessed occasion with its customers and the people of Maldives. This included eid gifts, as well as Bodu Beru music featuring brand ambassador, Habeys Boduberu Group.



FISHERMEN'S DAY CELEBRATIONS

As part of this year's Fishermen's Day celebrations, Ooredoo Maldives connected all fishermen across the Maldives with "Masveringe Package", customized to suit the varying needs of the modern day fisherman. These special packages allow free unlimited calling within the local fishermen community and comes with great benefits including great data allowances, as well as free Viber and Twitter on the best network for fishermen in the Maldives. Additionally, we also contributed to the official celebrations for Fishermen's Day 2018 by the Government of Maldives, including support to a children's event in GA. Gemanafushi.



DISASTER RELIEF

As an active supporter of GSMA's Humanitarian Connectivity Charter, demonstrating the commitment of the mobile industry to support customers and responders before and during humanitarian emergencies, Ooredoo Maldives remains committed to implement the disaster response initiative to ensure effective and predictable response during times of crisis.

Ooredoo Maldives was among the first corporates in the Maldives to volunteer their support in times of crisis; such as the water crisis in Male', the devastating earthquake in Indonesia, the Mecca crane collapse, the stampede in Mina, the power crisis in Thinadhoo and recently, the flooding in Male'.

The Company has contributed both in terms of monetary donations, active participation as volunteers during recovery efforts, and by utilizing mobile technologies to provide support to those affected. This also includes the provision of free calls to get in touch with friends and family, creating awareness to bulk messaging, using location based technologies to track recovery vessels etc.

Our People

Our talented, diverse and multi-cultural pool of employees are the key driving force behind our continued business growth and success. Our human resource strategy focuses on attracting the best talent, employee retention and development of employees by providing training opportunities. As a Company we are committed in motivating and providing a safe and appropriate working environment for our employees.

The Company has retained the employee turnover rate at a healthy 6% since 2016 and at the end of 2018, our total employee strength amounted to 360 of whom 335 (93%) were Maldivians, demonstrating the Company's commitment towards the community and local talent development.

TRAINING AND DEVELOPMENT

Our human resource strategy aims on creating a robust employee base with a strong skillset to cater for the current and future needs of the Company. During 2018, several training and development programs have been conducted including leadership development programs, succession planning, professional qualifications and soft skills development. Additionally, we continue to invest in employee academics upscaling, with 9 employees enrolled in Degree and Diploma Programs in 2018. We conducted a total of 28 training programs for 886 participants in technical and non-technical areas, during 2018.

EMPLOYEE WELLBEING & ENGAGEMENT

We continue our efforts in motivating the employees by focusing on employee wellbeing and entertainment which encourages them to perform better at the workplace. In 2018, numerous events were organized to improve internal communications, foster a culture of teamwork and create a happy and engaged work force:

Events were organized to boost teamwork, encourage innovation and creativity and bring the entire company together in an informal environment. This included the MNP Market Storm Challenge, m-Faisaa Week, inter-department challenges such as the CEO Cup and the Anniversary Monument Challenge.

Our employees also represent the Company in various national / community level sports events such as Club Maldives Cup 2018, Youth City Futsal 2018, Villi Muassasa Cup 2018, Inter Office Futsal Challenge. Brigade, inaugurated in 2015 run by our energetic employees, held a wide range of new innovative activities aimed at developing various skills and competencies. Key events held in 2018 were the Anniversary Monument Challenge to encourage creativity, and innovative ideas, Brigade Waste Management Challenge to sensitize on national waste management initiatives while also bringing out an innovative mindset, Brigade Battlefield Challenge focused on critical thinking and decision making, Brigade Mas Race Challenge, Brigade Debate Challenge to refine public speaking skills, PES Challenge to bring out the youthful digital gaming skills. The Annual CEO Cup was held as an inter-department challenge to revitalize the functional spirit.

As part of giving back to our community, Ooredoo Maldives' employees took part in the Sci-Tech Festival, beach side cleaning in HDh. Kulhudhufushi, Blood Donation Camp, SaafuRajje project – Artificial Beach clean up. The team also commemorated local and international days such as National Day, Men's Day, Women's Day and Children's Day.

Ensuring effective internal communications across teams continues to be a priority for Ooredoo Maldives. Key initiatives held during the year to encourage clear and open communications within all levels of the Company include:

We Are One Team: a monthly interactive gathering of employees who celebrate their birthdays within the month along with the Management team, to share ideas and suggestions.

Employee Communication Forum: a bi-annual formal gathering with all employees to share strategic plans, work progress as well as recognize and reward employees.

Town Halls: All employee meetings to update on strategic initiatives, milestones and the way forward.

DIGITAL HR AND OUR WAY OF WORK

We believe that the agile way of work is a mindset and that working in small groups wherein any task can be ideated, executed and monitored in a quick and efficient manner. This year, we created Small Business Units (“SBU”) to drive the key business imperatives successfully and efficiently.

We also embraced digital way of working by leveraging technology in people management processes and practices. Automation and analytics are integrated into the fabric of everyday business. In this regard, Performance Management System was implemented to support ongoing communication between the employees and their managers, as well as real time review process. This enables managers to review with employees their progress against targets, to identify any obstacles, and to provide support and feedback. We benchmark our performance management standards against those of peers and leading multinationals.

We also implemented our E-Learning system where employees can take part in online trainings, access referral materials on E-Library anywhere any time to refresh and hone skill sets.

Kudos instant reward programme was made E-Kudos in 2018. E-Kudos enables peer-to-peer recognition and fosters a performance culture that reflect the Company values (Caring, Connecting, Challenging).

Our HR procedures won several awards in 2018 including the Global HR Excellence Award for Best Strategy in line with Business, Global Best Employer Brand for Excellence in HR through Innovation, Global Best Employer Brand for Talent Management, Asia’s Best Employer Branding Awards 2018 for Dream Company to Work for and the Maldives HR Award for Excellence in Leveraging HR Technology.



The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

LABOUR

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOUR

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

ENVIRONMENT

PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

ANTI-CORRUPTION

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

HUMAN RIGHTS PRINCIPLES

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Make sure that they are not complicit in human rights abuses.

Ooredoo Maldives is committed to ensuring the health and safety of our employees and have guided our employees to take appropriate actions and promptly report incidents that are likely to result in health and safety concerns. The Company issues personal protective equipment and has safety work instructions for all hazardous activities.

FAIR TREATMENT & WORKPLACE WITHOUT HARASSMENT

The policies and procedures of Ooredoo Maldives are designed to ensure fair treatment of all employees in a consistent manner, with respect to assigning of work, remuneration, career development and other employment related matters. The Company policy prohibits harassment of any form within the work environment and prohibits retribution against any employee who lodges such a complaint.

MEDICAL INSURANCE & RETIREMENT BENEFITS

All permanent employees and their immediate family are provided with medical care, under the insurance scheme of Ooredoo Maldives. Since the establishment of the Company in 2005, Ooredoo Maldives has been successfully providing medical insurance to employees upon the completion of their probation period.

Implementation.

Company policies and procedures are shared with all employees upon handover of the employee contract, as well as during the orientation program for new joiners

Annual First Aid Trainings, Maritime Trainings and Fire & Safety Trainings conducted for relevant employees

All employees are given medical insurance, and registered under the retirement benefit fund

LABOUR PRINCIPLES

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

The elimination of all forms of forced and compulsory labour.

Principle 5:

The effective abolition of child labour.

Principle 6:

The elimination of discrimination in respect of employment and occupation.

EQUAL OPPORTUNITY TO ALL

All applicants and employees of Ooredoo Maldives are given equal opportunities in employment, training and career advancements, irrespective of their race, color, marital status, parental status, ancestry, source of income, religion, gender, age, national origin or handicap. The Maldives is a signatory to the Universal Declaration of Human Rights, and Ooredoo Maldives complies with all local laws and regulations and respect the culture, values and human rights within all aspects of our operations.

Implementation.

Company policy clearly adheres to the Maldives Employment Act to guarantee the elimination of forced and compulsory labor, the effective abolition of child labor and the elimination of discrimination, in respect of employment and occupation.

Efforts are made to increase gender diversity across all functions and levels, under the Ooredoo Group led Gender Diversity Program in partnership with She Works. This includes encouraging female entrants for relevant postings during the recruitment stage, training and development, mentorship opportunities, etc.

UNITED NATIONS GLOBAL COMPACT
ENVIRONMENT PRINCIPLES

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Undertake initiatives to promote greater environmental responsibility.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

Implementation

We help to protect our planet by implementing green practices within our business activities.

Ooredoo Maldives continues to implement green practices in their internal and external dealings, in order to reduce the Company's carbon footprint. This includes the introduction of e-Bills, installation of eco-friendly lighting, and more.

In helping to protect our planet, Ooredoo Maldives was the first company in Maldives to introduce the modern Single Radio Access Network ("RAN") equipment. 100% of our sites have now been modernized with Single RAN equipment, successfully saving 54% in electricity consumption and 80% in carbon footprint.

Company-wide "Go Green" program carried out to encourage environment friendly practices and to reduce wastage of resources such as electricity, water, paper, etc. The Go Green program is well received by employees, leading to a significant reduction in electricity charges.

Abolishing the usage of single use plastic water bottles within the office, which allowed the Company to eliminate the use of over 23,000 plastic water bottles in 2018 alone.

UNITED NATIONS GLOBAL COMPACT
ANTI-CORRUPTION PRINCIPLES

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

We have strong policies to eliminate corruption inclusive of:

SUPPLIERS

Employees must interact with suppliers or vendors with honesty and integrity. Decisions to purchase products and services shall be based on the Company's interest, taking into account factors such as quality, price, performance, suitability, and reliability. Employees who are required to engage in dealings with regard to purchasing of assets, items and equipment's or obtaining services from suppliers, vendors and service providers should avoid conflict of interest or appearance of any conflict of interest.

CONFLICT OF INTEREST

Employees shall not practice any business or trade, which is in conflict with their duties, or with the Company's interest or which may cause the employee to have a direct or indirect interest in any contracts or works related to the Company's activities or to which the Company is a party.

The Company policy requires that employees avoid any situation that creates a conflict of interest between the employee's own interest and that of the Company. Employees shall ensure that their activities during and after office hours do not conflict with their duties or with the Company's interest. The employee should inform the Management in case any activity or situation creates a conflict of interest.

It is the responsibility of the employee to declare any business interests that may or may not create any conflict of interest.

Implementation

Policies regarding anti-corruption are shared by HR, upon employment offer and contract signing, as well as during induction trainings for new employees. Annual Internal Audits are conducted to prevent corruption and bribery.

A Disciplinary Committee is assembled to carry out non biased investigations upon any reports of fraud, bribery or corruptions.

Measurement of Outcomes for Implemented Procedures

Introduction of the Policy on Whistleblowing to ensure the receipt, analysis and processing of reports of violation of laws, regulations, policies, decisions, instructions, code of conduct or ethics in the Company. In addition to the problems that occur in the system of internal control, maintaining the confidentiality of Company information and fraud attempts, this includes any errors that could have a negative impact on the Company, Ooredoo Group, employees, customers, investors, shareholders or others in general.

The whistleblower reporting is controlled by the Internal Audit Department of Ooredoo Maldives, whereby information related to the whistleblower and reported issues will kept confidential.

An Employee Engagement Survey is carried out on an annual basis, through which employees are able to report any discomforts, distresses or wrongdoings on a confidential basis. The survey is carried out by an external party to ensure its confidentiality, and reviewed by HR, Management and the Ooredoo Group.

Digital feedback mechanism introduced on the Company intranet, allowing instant reporting to the Human Resources Department.

No relevant reports have been filed on any of the above mentioned areas in 2018.



CORPORATE GOVERNANCE

Corporate Governance

Ooredoo Maldives focuses on promoting best practices, accountability and transparency to its stakeholders with the aim of becoming a leader in business ethics and corporate governance.

As a public listed company, Ooredoo Maldives operates in accordance with the laws and regulations issued by the relevant authorities including the Companies Act of the Republic of Maldives (Act No.: 10/96), the Maldives Securities Act (Act No.: 2/2006), the Securities (General) Regulations 2007, the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2010 (Regulation No.: 2011/R-10), the Corporate Governance Code of the Capital Market Development Authority ("CG Code"), the Listing Rules of the Maldives Stock Exchange (the "Listing Rules") and the Memorandum and Articles of Association of the Company.

While Ooredoo Maldives continues to expand its business, the Board of Directors and Management focus on demonstrating high levels of commitment and good corporate citizenship towards its stakeholders in creating the best value for the shareholders. In addition, the Board of Directors adhere to the uppermost corporate governance practices and principles, as mandated by the laws and regulations of the Maldives while gaining the trust of investors and the community.

The Corporate Governance Manual of the Company directs the Board of Directors, Management and employees to work towards promoting strong business principles and ethical behaviour. These sound corporate governance policies and ethical business practices are not only closely linked to the Company's goals, but are also the key to our success in achieving them.

BOARD OF DIRECTORS

Being the governing body of the Company, the Board of Directors are responsible for providing institutional leadership while working in the best interests of the Company and shareholders. While performing the roles and duties, the Board of Directors ensure that they operate within a framework of prudent policies and guidelines which enable effective risk management to achieve the goals and objectives of the Company.

The Board has the authority to delegate some of the responsibilities to the Management including development of operational plans, budgets and reports, for the review and approval of the Board of Directors.

The key roles and responsibilities of the Board include:-

Setting the strategic direction and objectives for the Company

Providing guidance to the Executive Management and ensuring the implementation of the strategies in achieving the set objectives of the Company

Establishing policies and processes to ensure good governance within the Company in the interest of all the stakeholders, which provides an effective framework to direct the Company towards long term success

Reviewing and approving the policies, reports and accounts of the Company

Ensuring compliance to all applicable laws, regulations, policies of the regulatory authorities, accounting and auditing standards and principles, and internal policies and processes of the Company

Protecting and safeguarding the rights of the stakeholders, including shareholders, employees, customers, suppliers and other stakeholders

Succession planning of key executives

The position of the Chairman and CEO are held by two different individuals to ensure an appropriate balance of power and increased accountability.

ROLE OF THE CHAIRMAN

The main responsibility of the Chairman is to provide guidance and leadership to the Board of Directors while ensuring the Company is in compliance with the applicable laws and regulations of the Maldives and operates according to the Memorandum and Articles of Association of the Company.

ROLE OF THE CEO

The key responsibilities of the CEO includes leading and driving the Company towards the strategic direction set by the Board of Directors, managing the Company within the guidelines and processes, providing guidance and direction to the Management and employees of the Company in achieving the Company's objectives and goals while following the vision, mission and strategies of the Company.

COMPOSITION OF THE BOARD

As required by the Corporate Governance Code of the Maldives ("CG Code"), the Board of Directors of Ooredoo Maldives comprises of a mix of Executive, Non-Executive and Independent Directors, with a majority of Non-Executive Directors being Independent Directors and one of the two Executive Directors being the CEO.

Ooredoo Maldives Board consists of a total of 8 Directors out of whom 6 are Independent, Non-Executive Directors and 2 are Executive Directors.

The composition of the Board of Directors as at 31st December 2018 was as follows: -

TYPE	NAME OF DIRECTORS	APPOINTED BY
Independent, Non-Executive Directors	Mr. Khalid Ibrahim A Al-Mahmoud	Wataniya International FZ-LLC
	Dr. A Hamid Mohd A Marafi	Wataniya International FZ-LLC
	Mr. Ian Grant Fenton	Wataniya International FZ-LLC
	Mr. Khalid Hassan M A Al-Hamadi	Wataniya International FZ-LLC
	Uza. Dheena Hussain	Wataniya International FZ-LLC
	Mr. Ahmed Zuhoor	General Shareholders
Executive Directors	Mr. Najib Khan	Wataniya International FZ-LLC
	Mr. Thavabalan Poobalasingam	Wataniya International FZ-LLC

During 2018, an Annual Review of the Board's size and composition were carried out by the Nomination and Remuneration Committee ("NRC") and found to be in order as required by the CG Code, other applicable laws and the Company's bye laws. The NRC has also reviewed and confirmed that the constitution of the Board remains appropriate and that all the Directors have spent sufficient time in fulfilling their duties and actively engaged in Board discussions and other matters within their purview.

CHANGES TO THE BOARD DURING 2018

There was no change to the Board during the year 2018.

BOARD MEETINGS

The Board of Directors held a total of 7 Board Meetings during the year 2018, including 1 Non-Executive Directors' Meeting as required by the CG Code.

The attendance at Board of Directors' Meetings was as follow:-

NAME	POSITION & TYPE	MEETINGS ATTENDED
Mr. Khalid Ibrahim A Al-Mahmoud	Chairman & Managing Director/Independent, Non-Executive Director	Attended all 7 Board Meetings held during the year 2018
Mr. Najib Khan	Chief Executive Officer/ Executive Director	Attended all 6 of the Board Meetings held for Executive Directors during the year 2018
Dr. A Hamid Mohd A Marafi	Director/Independent, Non-Executive Director	Attended all 7 of the Board Meetings held during the year 2018
Mr. Ian Grant Fenton	Director/Independent, Non-Executive Director	Attended 5 Board Meetings held during the year 2018 Appointed Mr. Khalid Hassan M A Al-Hamadi (Director) as the Proxy for 2 Board Meetings including the meeting held for Non-Executive Directors
Mr. Khalid Hassan M A Al-Hamadi	Director/Independent, Non-Executive Director	Attended all 7 of the Board Meetings held during the year 2018
Uza. Dheena Hussain	Director/Independent, Non-Executive Director	Attended all 7 Board Meetings held during the year 2018
Mr. Ahmed Zuhoor	Director/Independent, Non-Executive Director	Attended all 7 Board Meetings held during the year 2018
Mr. Thavabalan Poobalasingam	Chief Financial Officer/ Executive Director	Attended all 6 of the Board Meetings held for Executive Directors during the year 2018

Prior to Board Meetings, the Management provides all the required and relevant information about the agenda items to the Board including the background, analysis, financial information, impact on business, risks involved, and recommendations for the Board's review and consideration for making well informed decisions. During the Board Meetings, the Executive Management as well as the relevant senior employees are invited to provide additional insight regarding the matters before a decision is made.

While the Board of Directors perform their responsibilities, the Company Secretary ensures that the Board operates according to all the applicable laws and regulations of the Maldives and advises the Board on compliance to the requirements of the regulatory authorities. In this regard, the Company Secretary keeps an annual record of the Company's compliance/non-compliance with the CG Code and other applicable laws and presents the Board with the Corporate Governance Code Compliance Report. During 2018, the Company has complied materially with all the requirements outlined in the CG Code and relevant laws.

KEY DECISIONS OF THE BOARD DURING 2018

Approved the Board Directors' Charter

Approved the revised and amended Corporate Governance Manual of the Company

Approved the Maldives Risk Appetite for 2018

Approved the Audited Financials for the year ended 31st December 2017

Approved to recommend to the Shareholder's on appointment of External Auditors for the year 2018

Approved the Board Evaluation Criteria

Approved the remuneration for the Secretary of the Nomination and Remuneration Committee

Approved the Annual bonus 2017 and Increments for 2018

Approved the 2017 Corporate and CXO Scorecards

Approved the 2018 CXO Scorecards

Approved the 2017 dividend declaration for recommendation to the Shareholders

Approved the appointment of the Assistant Company Secretary

Approved the date of the Annual General Meeting to be held in 2018

Approved the Agenda of the Annual General Meeting to be held in 2018

Approved appointing Dr. A Hamid Mohd A Marafi to chair the 2018 Annual General Meeting of the Company

Approved the Policy on Prevention of Insider Trading of the Company

Approved the Board Remuneration for approval by the Shareholders

Approved the revised and amended HR Policy

Approved the Q1, 2018 Audit Reviewed Financials

Approved the Revenue Assurance and Fraud Management Charter and Revenue Assurance Policy

Delegated authority to the Chairman to approve the Enterprise Business Strategy

Delegated authority to the Chairman to approve the Incubator Program

Approved the promotion of Mr. Jamil Ahmed to the post of Director Internal Audit

Approved the Q2, 2018 Audit Reviewed Financials

Approved the 2018 Corporate Scorecard

Approved the revised Decision Rights Matrix ("DRM")

Approved the revised Purchasing Policy of the Company

Approved the Q3. 2018 audit review financials

Approved the Procurement Strategy

Approved the promotion of Mr. Shabeen Ali to the post of Director Network & IT Planning

Approved the 2019 Internal Audit Plan

Delegated authority to the Chairman to approve the Annual Operating Plan for 2019

Delegated authority to the Chairman to approve the Treasury Strategy for 2019

Approved the Salary Scale Review

Approved the the date of the Annual General Meeting to be held in 2019

Approved the Agenda of the Annual General Meeting to be held in 2019

Approved the Sales Incentive Plan for employees

Reviewed and Approved the the Board Composition

Reviewed and Approved the amended Nomination and Remuneration Committee's Charter

Approved the Dhaalu Vaanee Police Training School WiFi Solution under Corporate Social Responsibility

ANNUAL GENERAL MEETING

The 2018 Annual General Meeting ("AGM") of the Company was held on Sunday, 6th May 2018 at 20.30 hours at Hotel Jen, Ameeru Ahmed Magu, Male', Republic of Maldives.

The meeting was attended by Shareholders (in person or proxy) representing more than 51% of the shares which constitutes the quorum of the AGM as required by the Articles of Association of the Company.

The attendance of Shareholders at the AGM was as follows:-

Shareholders present in person	66 Shareholders
Shareholders present by proxy	23 Proxy Holders
Total number of Shareholders present (in person and by proxy)	89 Shareholders
Total number of shares represented	135,304,207 Shares

THE FOLLOWING KEY MATTERS WERE APPROVED AT THE AGM:

Approved the minutes of the 2017 Annual General Meeting held on Sunday, 1st October 2017 at Dharubaaruge Rannabandeyri Maalam, Male', Republic of Maldives

Approved the Audited Balance Sheet, Profit and Loss Account and the Auditors Report of the Company for the year ended 31st December 2017

Approved the Company's Directors' Report for the year ended 31st December 2017

Ratified the Appointment of the Auditors for 2018 and their remuneration

Approved the dividend for 2017

Ratified the Board of Directors' Remuneration

BOARD DEVELOPMENT

The Directors presently serving on the Board have knowledge and expertise in diverse areas and have the required skills combined to carry out the responsibilities of the Board effectively.

With the additional compliance and reporting requirements that followed after converting from a private company to a public listed company in the year 2017, the Board believed it was vital for the Directors to be updated on the laws and regulations applicable to listed companies in order to exercise high levels of commitment and good corporate citizenship towards its stakeholders. The entire Board of Directors have therefore participated in a training conducted in association with the CMDA, to gain insight about the applicable laws and regulations in the Maldives, which included information about corporate governance, corporate tax system in the Maldives and other applicable laws and regulations of the Maldives.

PREVENTION OF INSIDER TRADING

Pursuant to the "Policy on Prohibition of Dealing in Securities by Connected Persons with Access to Unpublished Information" by CMDA, Ooredoo Maldives has developed a policy (the "Policy") within the Company to establish procedures and policies to prevent insider trading and ensure compliance with the requirements of CMDA policy. This policy applies to all members of the Board of Directors, employees, consultants, contractors of the Company and all other deemed Restricted Persons.

In accordance with the Policy, a Restricted Persons list is developed by Ooredoo Maldives including persons who have access to unpublished price sensitive information of the Company including the Board of Directors, the Company Secretary, persons undertaking the secretarial functions of the Board and Committees (Audit Commit-

tee and Nomination and Remuneration Committee), employees undertaking financial matters, consultants and contractors with access or potential access to price sensitive information of the Company. The persons included on the list have been notified and provided with information about the prohibited periods for share trading, procedure and process for obtaining approval for trading and penalty/fine for not following the terms of the Policy.

COMMITTEES OF THE BOARD

The Company has established the following committees in order to comply with the applicable laws and to ensure the Company functions effectively and works in the interest of all the stakeholders.

(1) the Nomination and Remuneration Committee (“NRC”); and

(2) the Audit Committee (“Audit Committee”).

The Board of Directors has approved a written charter for both the NRC and the Audit Committee outlining their roles and responsibilities as well as the guidelines and processes to operate. Both the committees work in compliance with the charters and carries out their duties and responsibilities as instructed by the Board.

The mandates and activities of the committees are detailed in their respective reports.

EVALUATION OF THE BOARD AND BOARD COMMITTEES

An evaluation of the Board, individually and collectively, was carried out in Q2, 2018 using an Evaluation Form approved by the Board. The Evaluation Form and process has been developed in accordance with the applicable requirements of the CMDA, MSE, CG Code and other applicable laws and regulations. The completed Annual Board Evaluation Forms were submitted to the Board of Directors for their information.

During 2018, the NRC reviewed the Board Evaluation Form and process developed, and confirmed the evaluation process complies with the requirements of the authorities. This has also been submitted to the Board for their information. The evaluation of the Board is carried out annually.

The NRC reviewed its constitution and terms of reference and recommended revisions to the NRC Charter to ensure it operates at maximum effectiveness, and this was approved by the Board of Directors.

SHAREHOLDINGS BY DIRECTORS

The Directors holding shares in the Company as at 31st December 2018 were as follows:

NAME	NO. OF SHARES
Mr. Najib Khan	5,000
Uza. Dheena Hussain	67,001
Mr. Ahmed Zuhoor	3,330

OTHER DIRECTORSHIPS HELD BY THE BOARD OF DIRECTORS

Name of Director	Other Directorships Held
Mr. Khalid Ibrahim A Al-Mahmoud	Chairman - WARF Telecom International Private Limited, Vice Chairman – Wataniya Palestine Mobile Telecommunications Company
Mr. Najib Khan	WARF Telecom International Pvt Ltd
Dr. A Hamid Mohd A Marafi	No other Directorships
Mr. Ian Grant Fenton	Reserve member – Asiacell & Midya Telecom – Iraq, Advisory Board Member – Asia Internet Holding S. a r.l.
Mr. Khalid Hassan M A Al-Hamadi	WARF Telecom International Private Limited
Uza. Dheena Hussain	AAPC (Maldives) Pvt Ltd, Centara Maldives Pvt Ltd, Capricer Pvt Ltd, Hukurudhoo Investments Pvt Ltd, Jumeirah Management Services (Maldives) Pvt Ltd, Lagoon Assets Pvt Ltd, Riu Atoll Pvt Ltd, R.M.L. Leisure Pvt Ltd
Mr. Ahmed Zuhoor	Interconsult Associated Pvt Ltd, Maritech Management Pvt Ltd
Mr. Thavabalan Poobalasingam	No other Directorships

INTERNAL AUDIT

The Company's Internal Audit Department, which reports to the Audit Committee carries out internal audits in accordance with the approved annual Internal Audit Plan. It provided independent and objective consultancy services drafted in a way that contributes to adding more value and improving Company's processes. The activity performed by the Internal Audit Department helps to achieve the Company's objectives through a structured and systematic approach to assess and improve the effectiveness of risk management, monitoring and governance.

The Audit Committee Report highlights the details of the activities performed by the Internal Audit Department during 2018.

EXTERNAL AUDIT

KPMG was appointed as the External Auditors of the Company for the year 2018. The External Auditors were appointed by obtaining competitive proposals from qualified service providers, with all the proposals' evaluations being reviewed by the Audit Committee and the Board of Directors. A recommendation on appointment of the External Auditors was submitted to the AGM held in 2018 which was approved by the shareholders.

CODE OF CONDUCT AND ETHICS

The Board of Directors has approved the Company's Code of Conduct and Ethics to guide and direct the Management and employees outlining the policies, guidelines and principles in maintaining the highest level of professionalism and ethical conduct. Our Code of Conduct and Ethics ensures the Company follows ethical practices in making decisions and work in the interest of all stakeholders including shareholders, customers, suppliers and employees. As a Company we give our utmost importance in promoting best practices and remaining a good corporate citizen.

ANTI-CORRUPTION

As our commitment towards being a leader in ethical conduct, we became a signatory to the United Nations Global Compact ("UNGC") in 2012, after which we have implemented and followed strict internal policies towards anti-corruption which is one of the 4 pillars of UNGC.

As a Company one of our priority is remaining ethical and safeguarding the interest of stakeholders in making decisions and we ensure dealing with suppliers and vendors with honesty and integrity. The policies and guidelines prohibit the employees to participate in any trade or business activity which conflicts their role in the

Company. To protect the interest of the Company and stakeholders, Ooredoo Group signs a “Supplier’s Code of Conduct” with the regular suppliers and vendors on behalf of Ooredoo Maldives. Additionally, in the event of reports on corruption, bribery and fraud, a Disciplinary Committee is formed to investigate the case independently without any influence or bias.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board of Directors and Management ensures that the Company maintains strict and effective controls within the organisation for its operation to safeguard the assets and interests of all the stakeholders. The processes and controls are regularly reviewed by the Management and Board to ensure efficient and effective functioning of the Company.

An independent Enterprise Risk Management (“ERM”) function is established within the Company and is responsible for managing the Enterprise Risk of the Company, and directly reports to the CEO. Furthermore, the Audit Committee advises the Board of Directors on risk management of the Company and provides recommendation on the efficiency and adequacy of internal control systems.

SHAREHOLDER COMMUNICATIONS

To ensure that we provide accurate and timely information to our shareholders and investors, we have established various mechanisms. As a Company one of our priorities is encouraging the participation of our shareholders in Company activities while following the guidelines set by the authorities, the requirements of the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2010, the CG Code and the Listing Rules.

The quarterly financial reports are published within 30 days of each quarter, while the Annual Report of the Company including performance and financials are made available to the shareholders and investors within 4 months of the year end. These reports are available on our website to ensure that investors and shareholders have access to all material information on the Company.

Prior to every AGM, all information related to the AGM including the Notice & Agenda, the Directors’ Report, Financial Statements, and minutes of the previous AGM are published for shareholders’ information and consideration. The Board of Directors and Senior Management are available at the AGM to address the concerns of the shareholders and take into consideration the recommendations for further development of the Company.

All communications addressed to shareholders and investors, as well as information relevant to the public are published on our Investor Relations web page and is updated regularly. The website provides the most up-to-date information on financial highlights, announcements and communications regarding the Company. Furthermore, our website includes contact details to approach the Company and a dedicated Investor Relations team responds to queries from shareholders and other stakeholders.

MECHANISM TO RAISE CONCERNS

For raising concerns, we have established various mechanisms through which our stakeholders including shareholders, customers, employees and suppliers can reach us. These mechanisms provide confidence to our stakeholders that their concerns will be addressed confidentially without any bias or influence.

Customers being our key stakeholder we always work in safeguarding their interest. Our Customer Grievance Policy enables customers to lodge their complaints via our call centre, email, post, messaging through social media including Facebook, Twitter, Chat service or by visiting any of our Ooredoo Experience Centres.

Any suspected misconduct or unethical behaviour, or breach of law or regulation can be brought to the attention of the Company via the Whistleblowing form made available on our website. These cases are handled and investigated confidentially by our Head of Internal Audit.

STATUTORY FEES AND TAXES

All fees payable to the relevant authorities including the annual fee, annual listing fee and depository fee have been paid on or before the due dates.

DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors of Ooredoo Maldives declare that this Annual Report has been prepared in compliance with the Companies Act of the Republic of Maldives (Act No.: 10/96), the Maldives Securities Act (Act No.: 2/2006), the Securities (General) Regulations 2007, the Securities (Continuing Disclosure Obligations of Issuers) Regulations 2010 (Regulation No.: 2011/R-10), the Corporate Governance Code of the Capital Market Development Authority ("CG Code") and the Listing Rules of the Maldives Stock Exchange (the "Listing Rules").

The Directors, declare that to the best of our knowledge and belief, the information presented in this Annual Report is true and accurate and that there are no other facts, the omission of which would make any statement herein misleading or inaccurate.

As the Directors, we have practiced transparency, fairness and diligence while performing our roles and responsibilities by giving our utmost devotion to safeguard the interest of the shareholders and worked towards creating the best value for our shareholders.

Financial Statements

The consolidated financial statements consist of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Shareholder Equity and Notes to the Consolidated Financial Statements. The financial statements for the year ended 31st December 2018 have been prepared:

In accordance with the International Financial Reporting Standards;

In conformance with applicable laws and regulations;

To provide information that is true and fair; and

Certified by the Managing Director, Chief Executive Officer and Chief Financial Officer, and approved by the Board of Directors.

Annual Report

The Annual Report includes the key activities and highlights of the Company for the year 2018 and all information is accurate as at 31st December 2018.

Going Concern and Future Outlook

The Board of Directors are confident that the Company possess the resources to carry out the business as a going concern and pursue the objectives set forth in its strategic plans. The Board continuously endeavours to implement the strategic plans in line with the vision of the Company.

Safeguarding Company's Assets

The Company continually strives to improve the internal controls to safeguard the Company's resources and shareholders' interest.

Independent Audit

An independent External Auditor was engaged by the Board of Directors to review the financial statements. The External Auditor's unbiased opinion and recommendations is welcomed, and the Board of Directors endeavours to improve any weaknesses highlighted in the Auditor's report.

Dividend

The Board of Directors is pleased to propose a dividend of MVR 3.22 per share for the year and to present this to the Shareholders' for approval at the AGM.

Declaration of Interest

The Directors of Ooredoo Maldives confirm that:

Subject to information disclosed herein, neither the Directors nor any associates had any significant interest, direct or indirect in the equity or debt securities of Ooredoo Maldives or subsidiaries or had any right to subscribe for equity or debt securities of the Company or its subsidiaries.

There were no contracts of significance subsisting, during or at the end of the accounting period in which a Director of Ooredoo Maldives or its subsidiaries was materially interested, either directly or indirectly.

Except for those disclosed in note 35 of the Audited Financials, there were no substantial or material third party transactions, monetary transactions or relationships between the Company and its Directors, the Management, subsidiaries or relatives.

On behalf of the Board of Directors:



Khalid Ibrahim A Al-Mahmoud
Chairman



Najib Khan
Chief Executive Officer



The background features a dark blue field with several light blue watercolor-style circles of varying sizes. Overlaid on this are large, vibrant, organic shapes in red, yellow, and magenta. A large white circle is centered on the page, containing the title text.

NOMINATION AND REMUNERATION COMMITTEE REPORT

COMPOSITION

Ooredoo Maldives' Nomination and Remuneration Committee (the "NRC") is established in accordance with the requirements of the Corporate Governance Code ("CG Code") of the Maldives. The Company has combined the functions of the Nomination Committee and the Remuneration Committee into the NRC since the Board of Directors were of the opinion that this would improve efficiency, considering the time, scope and expertise required to carry out the responsibilities of two separate committees.

The NRC is comprised of 3 (three) members appointed for a term of 3 (three) years. All of the members of the NRC are Non-Executive Directors and the majority, including the Chairman of the NRC are independent as required by the CG Code.

MANDATE

The responsibilities of the NRC include:-

Making recommendations to the Board and to the shareholders on Board appointments after a proper evaluation;

Making recommendations on remuneration packages for the Board and the CEO for approval by the Board;

Review policies with respect to remuneration, pension, performance related pay schemes for prior Board approval.

MEMBERS AND MEETINGS

The NRC Charter requires it to hold at least 4 (four) meetings each year (once every 3 (three) months). During the year 2018, the NRC held a total of 6 (six) meetings to consider the diverse matters under its' mandate.

Members	Type	Meetings Attended
Dr. A Hamid Mohd A Marafi (Chairman)	Independent, Non-Executive Director	6/6
Mr. Khalid Hassan M A Al-Hamadi	Independent, Non-Executive Director	5/6
Uza. Dheena Hussain	Independent, Non-Executive Director	6/6

The NRC has a separate secretary whose duties are outlined in the NRC's Charter and includes taking the minutes of NRC meetings, preparing the draft minutes and getting them approved by the NRC members.

KEY ACTIVITIES

Appointment of NRC Secretary and approval of remuneration to the NRC Secretary for final approval of the Board

Approved the Board of Directors' Charter which was then submitted for final approval of the Board

Approved the Board Evaluation Criteria which was then submitted for final approval of the Board

Reviewed the Annual Record of the Company's Compliance with Corporate Governance Code during 2017

Approved the 2018 CXO Scorecard which was then submitted for final approval of the Board

Approved the 2017 Bonus and Increments which was then submitted for final approval of the Board

Approved the revised and amended Corporate Governance Manual of the Company which was then submitted for final approval of the Board

Approved the Policy on Prevention of Insider Trading of the Company which was then submitted for final approval of the Board

Approved the Promotion of Director Internal Audit and submitted the recommendation for final approval of the Board

Approved the Board of Directors Remuneration which was then submitted for final approval of the Board

Approved the revised and amended HR Policy which was then submitted for final approval of the Board

Approved the 2018 Company Scorecard which was then submitted for final approval of the Board

Approved the promotion of Director of Network & IT Planning and submitted the recommendation for final approval of the Board

Approved the Salary Scale Review which was then submitted for final approval of the Board

Reviewed and approved the Board Composition which was an annual review carried out to determine whether the constitution of the Board remains appropriate and whether all Directors spend sufficient time to fulfill their duties, which was then submitted for review of the Board

Carried out the annual review of the NRC constitution and terms of reference

Carried out a review and amendment of the NRC Charter, which was then submitted for final approval of the Board

Carried out the annual review of the Board performance evaluation process

Approved the Sales Incentive Plan which was then submitted for final approval of the Board

BOARD APPOINTMENTS

There were no appointments to the Board of Directors of the Company during the year 2018. The Articles of Association of the Company states that the maximum number of Directors shall not exceed 8 (eight) and shall not be less than 5 (five). The current Board of Directors comprises 7 (seven) Directors appointed by the majority shareholder, Wataniya International FZ-LLC and 1 (one) Director elected by the general shareholders.

Appointments to the Board of Directors are managed by the NRC. The Director to be elected by the general shareholders will be submitted for voting by the relevant shareholders at the AGM.

While driving the Company towards the right strategic direction, the Board of Directors endeavours to engage in discussions with representatives of the majority shareholder to understand their views on the Company.

GENDER DIVERSITY

The Company has always prioritised compliance to the CG Code and the promotion of good governance. Ooredoo Maldives complies with the requirements of laws and regulations of the Maldives as well as adhering to the CG Code, and works to follow and promote best practices to achieve gender diversity across the whole organisation starting from entry level to management and Board of Directors.

The Company was one of the first GSMA Operator members to endorse the Connected Women Commitment initiative focusing on the socio-economic benefits of greater inclusion of women at all points in the mobile industry from consumer to employee to leaders. As a partner to the Connected Women Programme which accelerates the growth of the female digital economy, we are committed to work in bringing significant socio-economic benefits to all women and to the mobile eco-system of the Maldives.

EXECUTIVE DIRECTORS SERVING ELSEWHERE

Mr. Najib Khan is on the Board of Directors of WARF Telecom International Pvt Ltd ("WARF"), a subsidiary of Ooredoo Maldives, for which he does not receive any additional remuneration.

REMUNERATION FOR THE BOARD OF DIRECTORS

The Board of Directors are provided with:-

A sitting fee of MVR 30,000 for each Board Meeting attended in person

A monthly fee of MVR 2,000

A total of MVR 1,752,000 was paid to the Board of Directors as sitting fees and monthly fees for the year 2018.

REMUNERATION FOR THE NRC MEMBERS

NRC members are paid a sitting fee of MVR 2,000 for each NRC meeting attended in person.

A total of MVR 34,000 was paid to the NRC members as sitting fees for the year 2018.

REMUNERATION FOR KEY TOP MANAGEMENT

The remuneration for the CEO and key top management has been determined based on their job roles, responsibilities, scope of work and market rates for comparable roles. Ooredoo Maldives offers competitively attractive remuneration package for key executives to ensure that top talent is attracted and retained within the Company. The remuneration package comprises of a fixed component and a significant performance-related component.

Stock options do not form part of the remuneration package for any of the Directors, CEO or any other employee. A total of MVR 25,641,441 (which includes basic salary, allowances and variable pay) was paid to the CEO and key top management for the year 2018.

The level and mix of remuneration, and individual remuneration paid to the CEO and key top management will not be disclosed due to Company policy, confidentiality and the competitive environment that we operate within.

On behalf of the Nomination and Remuneration Committee:-



Dr. A Hamid Mohd A Marafi

Chairman, Nomination and Remuneration Committee







AUDIT COMMITTEE REPORT

COMPOSITION

Ooredoo Maldives' Audit Committee is established in accordance with the requirements of the Corporate Governance Code ("CG Code") of the Maldives. The Audit Committee is comprised of 3 members, all of whom are non-executive Directors and the majority of whom including the Chairman of the Audit Committee are independent as required by the CG Code.

MANDATE

The Audit Committee assists the Board of Directors in fulfilling its statutory obligations and advises them on the adequacy and effectiveness of internal controls, risk management, control and governance processes, ensuring the independence and objectivity of internal and external audit functions and the integrity of the Company's financial statements.

MEMBERS AND MEETINGS

The Audit Committee Charter requires it to hold at least 4 meetings each year (at least once every 3 months). During the year 2018, the Audit Committee has held a total of 6 meetings.

Members	Type	Meetings Attended
Mr, Ian Grant Fenton (Chairman)	Independent, Non-Executive Director	6/6
Dr. A Hamid Mohd A Marafi	Independent, Non-Executive Director	6/6
Mr. Khalid Hassan M A Al-Hamadi	Independent, Non-Executive Director	6/6

The Company's CEO, CFO, Director Internal Audit, Enterprise Risk Management Champion and a representative from the Ooredoo Group's Internal Audit were invited to all of its meeting held in 2018. The Company's External Auditors ("KPMG") were also invited to present the quarterly financial results in the quarterly meetings and Annual Audited Financials and the Management Letter in the annual meeting.

The Audit Committee has a separate secretary whose duties are outlined in the Audit Committee's Charter and includes taking, saving the minutes of meetings, its decisions and documents.

KEY ACTIVITIES

The Audit Committee reviewed and approved the following matters in 2018 which were then submitted to the Board of Directors for their approval: -

the Quarterly Audit Reviewed Consolidated Financial Statements (for Q1 2018, Q2, 2018, Q3 2018) of the Company, along with the related significant accounting and reporting issues

the Annual Audited Consolidated Financial Statements of the Company for 2017, along with the related significant accounting and reporting issues

the financial policies, accounting standards and rules and procurement policies

the Internal Audit Plan for 2019

oversaw the selection of KPMG as External Auditors of the Company for the financial year 2018

the Ooredoo Maldives Risk Appetite for 2018

the Promotion of Director Internal Audit

the updated Ooredoo Maldives Decision Rights Matrix

The Audit Committee also reviewed and approved the following matters which were then submitted to the Board of Directors for their information:-

The results of the Internal Audit Risks Assessment and Internal Audit Budget for 2019

The 2018 Scorecard for the Internal Audit Department

The Internal Audit Department's quarterly progress reports for the year 2018 and the annual progress report for 2017

The quarterly Enterprise Risk Management Reports and associated Internal Audit Review comments

The following matters were also reviewed and approved by the Audit Committee:-

The performance evaluation of the Ooredoo Maldives Internal Audit, through the review of results for the 2017 Internal Audit Scorecard

The selection of Ernst & Young for the engagement of Implementation and support for IFRS 9

The selection of PwC for the engagement of Implementation and support for IFRS 16

The Ooredoo Maldives Internal Quality Assurance Report for 2018

EXTERNAL AUDIT

The shareholders appointed KPMG as the External Auditors of the Company for the year 2018. As BPT Compliance is provided by KPMG, the Audit Committee reviewed the services and were satisfied with the objectivity and independence of the External Auditors in carrying out the external audit of the Company.

INTERNAL AUDIT

The Internal Audit Department carried out multiple audits during the year in line with the approved Internal Audit Plan for 2018. The findings of the audits were presented to the Audit Committee in the quarterly Internal Audit progress reports, along with the Management comments and Action Plan.

The key activities completed by Internal Audit in 2018 were:

Prepared a risk based Internal Audit plan for 2019

Reviewed and evaluated the operations, governance and internal controls through implementation of the approved Internal Audit Plan

Reviewed the quarterly Enterprise Risk Management reports of Ooredoo Maldives

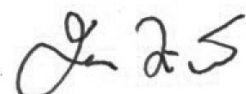
Prepared and submitted the Quarterly Internal Audit progress reports to the Group IA and Audit Committee

Performed the Internal Quality Assessment for the Internal Audit function and submitted the final report to the Audit Committee

Assisted in evaluating and appointment of the External Auditors for the Company

In reliance to the activities referred above, the Audit Committee is satisfied with the Company's Internal Audit function, its independence and objectivity and the adequacy and effectiveness of the internal controls established.

On behalf of the Audit Committee:



Ian Grant Fenton

Chairman, Audit Committee



SUBSIDIARY COMPANIES



Subsidiary Companies

WARF Telecom International Private Limited

BUSINESS OVERVIEW

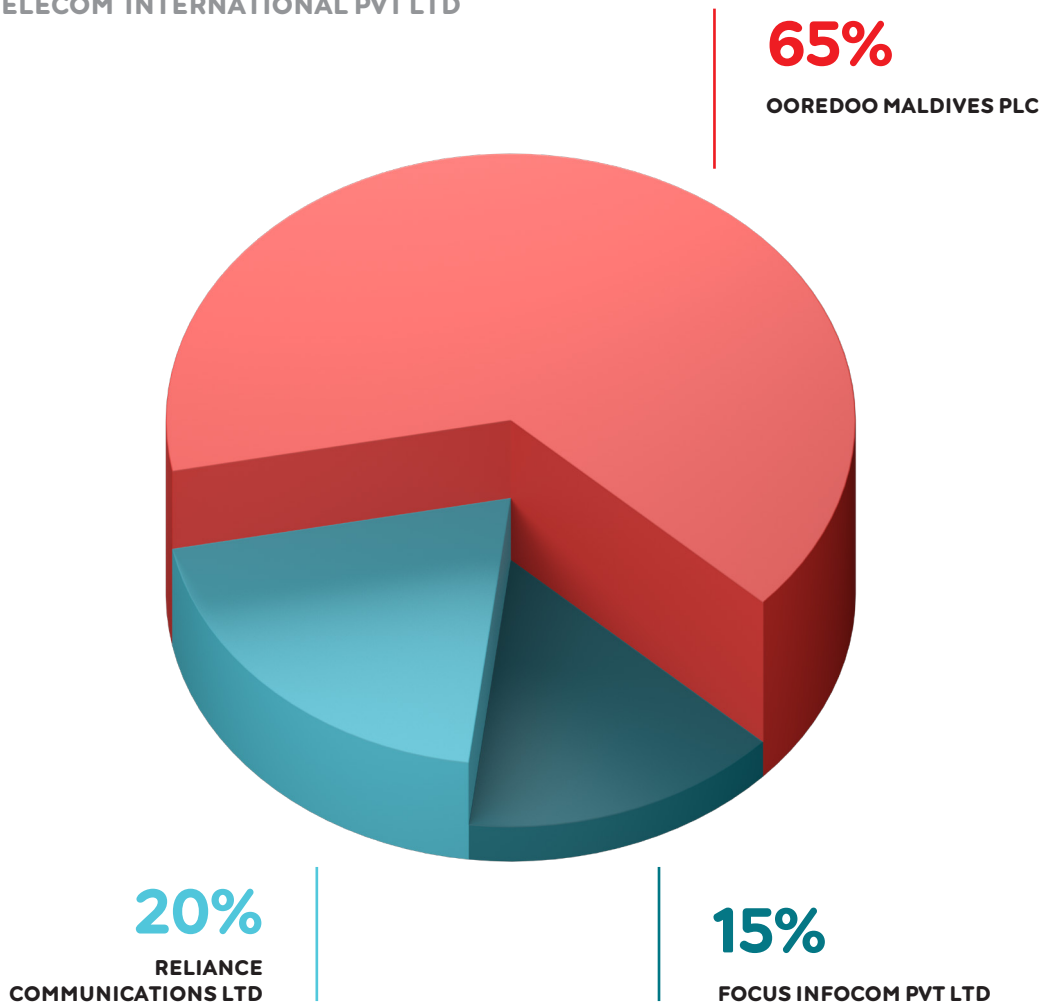
WARF Telecom International Pvt Ltd ("WARF") is the only subsidiary of Ooredoo Maldives. It was incorporated in 2005 in the Republic of Maldives with the objective of providing International Telecommunication bandwidth in and out of the Maldives. The Shareholders' of the Company are Ooredoo Maldives Plc holding 65%, Reliance Communications Ltd holding 20% and Focus Infocom Pvt Ltd holding 15%. WARF obtained the necessary licenses to undertake its business activities in March 2006 for a 15 year period up to March 2021.

In 2018 WARF had a turnover of MVR 77.3 million and contributed over 3% of the operating profit of the Ooredoo Maldives Group.

SHAREHOLDING STRUCTURE

WARF

TELECOM INTERNATIONAL PVT LTD







INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS



KPMG
(Chartered Accountants)
2nd Floor, H. Mialani
Sosun Magu,
Male',
Republic of Maldives.

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+960 3310 421
+960 3310 422
+960 3323 393
Fax : +960 3323 175
E-mail : kpmgmv@kpmg.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OOREDOO MALDIVES PLC

We have audited the accompanying consolidated and separate financial statements of Ooredoo Maldives PLC (the "Company") and its subsidiary (together with the "Group"), which comprise the consolidated and separate statement of financial position as at 31st December 2018 and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated and separate financial statements, comprising a summary of significant accounting policies and other explanatory information set out in pages 94 to 138.

OPINION - GROUP

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards "(IFRSs)".

OPINION - COMPANY

In our opinion, the separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31st December 2018 and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards "(IFRSs)".

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters.

KPMG in the Maldives is a partnership registered in the Republic of Maldives, a foreign branch of KPMG, the Sri Lankan member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
S.R.I. Perera FCMA(UK)
M.N.M. Shameel ACA

P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyrathne FCA
G.A.U. Karunaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA

C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
R.M.D.B. Rajapakse FCA
J.M.P.S. Jayaweera FCA

KEY AUDIT MATTERS (CONTINUED)

• **Accuracy of the revenue recognition and the adoption of IFRS 15**

(Refer to the significant accounting policies in note 3.10 and note 6 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
<p>Given the complexity of revenue recognition due to involvement of different IT systems in capturing the revenue generated, high volume of low value transactions processed by the billing systems of the Company and the adoption of IFRS 15 the revenue recognition process of the Company was considered as a matter that require our significant attention.</p>	<p>Our audit procedures included</p> <hr/> <p>Understanding the significant revenue processes and identifying the relevant controls.</p> <hr/> <p>Testing of the design and operating effectiveness of key controls, assisted by our in house IT specialists including, among others, those over the input of terms and pricing of different services; accuracy and completeness of the data captured by different systems and linkage between the systems.</p> <hr/> <p>Evaluating the reasonableness of management's key judgements and estimates made in adopting IFRS 15, including selection of methods, models, assumptions and data sources.</p> <hr/> <p>Analysis of revenue and tested the timing of its recognition through focused substantive testing performed based on our industry knowledge and assessed the appropriateness of management's revenue recognition under IFRS 15 across significant revenue streams for a sample of contracts.</p> <hr/> <p>Assessing the adequacy of the disclosures in the financial statements including compliance with the extended disclosures requirements in relation to the adoption of IFRS 15.</p>

KEY AUDIT MATTERS (CONTINUED)

• **Provision for impairment over investment in Intangible asset and the investment in subsidiary**

(Refer to the significant accounting policies in note 3.6 (ii), notes 13 and 15 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
<p>The review of provision for impairment over intangible asset of the Group and the provision for impairment over the investment in subsidiary of the parent Company is considered to be a key audit matter due to the significant judgments required in determining the assumptions to be used to estimate the recoverable amount which is based on the value in use derived from discounted cash flow model. This model uses several key assumptions, including estimates of future cash flows and discount rate.</p>	<p>Our audit procedures included</p> <hr/> <p>Testing the appropriateness assisted by our in house valuation specialists to critically assess the assumptions and methodologies used in the estimation of projected future cash flows of the intangible asset and investment in subsidiary by the management.</p> <hr/> <p>Challenging the reasonableness of key assumptions based on our knowledge of the business and industry.</p> <hr/> <p>Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.</p>

• **Transition and adoption IFRS 9**

(Refer to the significant accounting policies in note 3.1 and note 38.2 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
<p>Due to the introduction of the new International Financial Reporting Standard 9 relating to the financial instruments, the Group evaluated its existing accounting policies involving the classification, measurement and recognition of impairment over financial instruments. These new accounting policies included estimates that involves significant judgment of the management and complex computations. Further, the adoption of this standard has resulted in an adjustment of MVR 11,737/- ("000") to the opening balance of equity presented as at 1st January 2018.</p>	<p>Our audit procedures included</p> <hr/> <p>Evaluating the appropriateness of the accounting policies based on the requirements of IFRS 9 with our business understanding and industry practice.</p> <hr/> <p>Assessing the reasonableness of key judgement and assumptions incorporated into the impairment calculations by using our own KPMG specialists to challenge their rationale and change their assumptions and recalculated where necessary.</p> <hr/> <p>Evaluating the appropriateness and tested the mathematical accuracy of the estimation of provision for impairment.</p> <hr/> <p>Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments.</p> <hr/> <p>Assessing the completeness, accuracy and relevance of the transition disclosures.</p>

KEY AUDIT MATTERS (CONTINUED)

• **Provisions and contingent liabilities**

(Refer to the significant accounting policies in note 3.9 and note 31 of the consolidated and separate financial statements).

RISK DESCRIPTION	OUR RESPONSE
<p>The Group has disclosed significant open legal case and other contingent liability in note 31 to the financial statements. The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment requires management's judgment to ensure appropriate accounting or disclosures. Due to the level of judgment relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.</p>	<p>Our audit procedures included</p> <hr/> <p>Discussing the significant matters with the legal representatives and obtaining letters regarding the progress of litigation and possible claims, including their views on the likely outcome of each litigation or claim and the magnitude of potential exposure.</p> <hr/> <p>Discussing the assessment with those charge with governance and challenging assumptions and critical judgements made which impact the estimation of the provisions required.</p> <hr/> <p>Engaging our internal tax specialist to assess the potential exposure for tax dispute and reviewing correspondence with the relevant tax authorities to understand the relevant associated risks.</p> <hr/> <p>Examining the correspondences related to the litigations.</p> <hr/> <p>Critically assessing the conclusions reached by the management and the compliance of the related disclosures in accordance with the International Financial Reporting Standards.</p>

OTHER INFORMATION

The Board of Directors (the "Board") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Board is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with IFRSs, and for such internal control as the Board determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated and separate financial statements, the Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of these consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
(CONTINUED)**

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Mohamed Shameel.



Mohamed Shameel
For and on behalf of KPMG

29th January 2019

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OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company	
		2018	2017	2018	2017
FOR THE YEAR ENDED 31ST DECEMBER 2018					
	Note	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Revenue	6	1,951,346	1,844,095	1,910,092	1,808,259
Other Income	7	3,305	36,714	5,741	36,546
Operating Expenses	8	(1,022,415)	(924,957)	(1,024,226)	(940,150)
Depreciation and Amortization		(262,636)	(249,049)	(240,809)	(235,973)
Results from Operating Activities		669,600	706,803	650,798	668,682
Finance Income	9	13,054	15,371	9,476	12,009
Finance Costs	9	(37,539)	(26,820)	(37,539)	(26,820)
Net Finance Costs		(24,485)	(11,449)	(28,063)	(14,811)
Profit Before Tax		645,115	695,354	622,735	653,871
Income Tax Expense	10	(100,343)	(114,927)	(97,001)	(103,869)
Profit (Total Comprehensive Income) for the Year		544,772	580,427	525,735	550,002
Total Comprehensive Income Attributable to:					
Owners of the Company		538,111	558,439	525,735	550,002
Non-Controlling Interest	23	6,661	21,988	-	-
Total Comprehensive Income for the Year		544,772	580,427	525,735	550,002
Basic and Diluted Earnings Per Share	11	3.64	3.78	3.56	3.72

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.


OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION


AS AT 31ST DECEMBER 2018	Note	Group		Company	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		MVR "000"	MVR "000"	MVR "000"	MVR "000"
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	974,644	1,045,495	963,375	1,032,938
Intangible Assets	13	136,117	137,207	74,500	55,050
Prepaid Lease Rent	14	32,816	33,154	32,816	33,154
Investment in Subsidiary	15	-	-	188,488	188,488
Deferred Tax Assets	10.2	24,301	17,004	24,693	17,397
Total Non-Current Assets		1,167,878	1,232,860	1,283,872	1,327,027
Current Assets					
Inventories	16	52,294	21,255	52,294	21,255
Trade and Other Receivables	17	416,503	248,175	408,688	245,774
Amount Due from Related Party	18	38,585	31,985	-	-
Investments	19	354,936	548,223	212,409	407,000
Cash and Cash Equivalents	20	1,256,531	1,175,773	1,199,385	1,141,266
Total Current Assets		2,118,849	2,025,411	1,872,776	1,815,295
Total Assets		3,286,727	3,258,271	3,156,648	3,142,322
EQUITY AND LIABILITIES					
Equity					
Share Capital	21	1,478,004	1,478,004	1,478,004	1,478,004
Reserve on Translation of Share Capital	22	144,180	144,180	144,180	144,180
Accumulated Losses		(497,622)	(553,621)	(511,672)	(559,540)
Total Equity Attributable to Equity Holders of the Parent		1,124,562	1,068,563	1,110,513	1,062,644
Non-Controlling Interest	23	109,026	104,651	-	-
Total Equity		1,233,588	1,173,214	1,110,513	1,062,644
LIABILITIES					
Non-Current Liabilities					
Loans and Borrowings	24	511,394	426,558	511,394	426,558
Provisions	25	18,785	16,920	18,785	16,920
Deferred Tax Liabilities	10.3	105	122	2,417	3,208
Total Non-Current Liabilities		530,284	443,600	532,596	446,686
Current Liabilities					
Loans and Borrowings	24	146,215	63,633	146,215	63,633
Provisions	25	5,749	-	5,749	-
Amounts Due to Related Parties	26	444,369	717,725	444,369	721,592
Trade and Other Payables	27	875,628	791,031	867,020	781,298
Income Tax Payable		50,894	69,068	50,186	66,469
Total Current Liabilities		1,522,855	1,641,457	1,513,539	1,632,992
Total Liabilities		2,053,139	2,085,057	2,046,135	2,079,678
Total Equity and Liabilities		3,286,727	3,258,271	3,156,648	3,142,322

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

These Consolidated and Separate Financial Statements were approved by the Board of Directors and signed on its behalf by;


Khalid Ibrahim A Al-Mahmoud
Chairman


Najib Khan
Chief Executive Officer


Thavabalan Poobalasingam
Chief Financial Officer

29th January 2019

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2018

GROUP	Attributable to the Owners of the Company		Non-Controlling Interest	Total Equity
	Share Capital	Reserve on Translation of Share Capital		
	MVR '000"	MVR '000"	MVR '000"	MVR '000"
As at 1st January 2017	1,478,004	144,180	82,663	999,238
Comprehensive Income for the Year				
Profit for the Year	-	-	21,988	580,427
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	21,988	580,427
Transactions with Owners Directly Recorded in Equity				
Dividend Declared (Note 21.5)	-	-	-	(406,451)
Total Transactions with Owners Directly Recorded in Equity	-	-	-	(406,451)
As at 31st December 2017	1,478,004	144,180	104,651	1,173,214
As at 1st January 2018, as Previously Reported	1,478,004	144,180	104,651	1,173,214
Adjustment Due to Initial Application of IFRS 15 (Note 38.1)	-	-	-	300
Adjustment Due to Initial Application of IFRS 9 (Note 38.2 (c))	-	-	(2,286)	(11,737)
Balance as at 1st January 2018 After Adjustments	1,478,004	144,180	102,365	1,161,777
Comprehensive Income for the Year				
Profit for the Year	-	-	6,661	544,772
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	6,661	544,772
Transactions with Owners Directly Recorded in Equity				
Dividend Declared (Note 21.5)	-	-	-	(472,961)
Total Transactions with Owners Directly Recorded in Equity	-	-	-	(472,961)
As at 31st December 2018	1,478,004	144,180	109,026	1,233,588

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

**OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
SEPARATE STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31ST DECEMBER 2018

COMPANY	Share Capital	Reserve on Translation of Share Capital	Accumulated Losses	Total Equity
MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January 2017	1,478,004	144,180	(703,091)	919,093
Comprehensive Income for the Year				
Profit for the Year	-	-	550,002	550,002
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	550,002	550,002
Transactions with Owners Directly Recorded in Equity				
Dividend Declared (Note 21.5)	-	-	(406,451)	(406,451)
Total Transactions with Owners Directly Recorded in Equity	-	-	(406,451)	(406,451)
As at 31st December 2017	1,478,004	144,180	(559,540)	1,062,644
As at 1st January 2018, as Previously Reported	1,478,004	144,180	(559,540)	1,062,644
Adjustment Due to Initial Application of IFRS 15 (Note 38.1)	-	-	300	300
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	-	-	(5,205)	(5,205)
Balance as at 1st January 2018 After Adjustments	1,478,004	144,180	(564,445)	1,057,739
Comprehensive Income for the Year				
Profit for the Year	-	-	525,735	525,735
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	525,735	525,735
Transactions with Owners Directly Recorded in Equity				
Dividend Declared (Note 21.5)	-	-	(472,961)	(472,961)
Total Transactions with Owners Directly Recorded in Equity	-	-	(472,961)	(472,961)
As at 31st December 2018	1,478,004	144,180	(511,672)	1,110,513

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	Note	Group		Company	
		2018	2017	2018	2017
FOR THE YEAR ENDED 31ST DECEMBER 2018					
		MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cash Flows from Operating Activities					
Profit Before Tax		645,115	695,354	622,735	653,871
Adjustments for:					
Depreciation on Property, Plant and Equipment	12	220,328	216,151	219,040	214,863
Amortization of Intangible Assets	13	41,971	32,617	21,431	20,829
Amortization of Lease Prepayment	14	338	281	338	281
Gain on Sale of Property, Plant and Equipment	7	(92)	-	(92)	-
Provision for Obsolete Inventories	16.1	304	10,580	304	10,580
Provision for the Share based payment obligation		1,516	1,756	1,516	1,756
Provision for Expected Credit Losses on Trade Receivables	17.1	19,516	20,253	19,516	20,253
Reversal of Provision for Expected Credit Losses on Investments	19.1	(2,032)	-	(2,035)	-
Reversal of Provision for Expected Credit Losses on Bank Balances	20.1	(1,390)	-	(1,416)	-
Provision for Expected Credit Losses on Amount Due From Related Party	18.1	31	-	-	-
Reversal of Provision for Impairment Loss on Investment in Subsidiary	15.1	-	(35,003)	-	(32,399)
Interest Expense	9	37,539	26,820	37,539	26,820
Operating Profit Before Working Capital Changes		963,144	968,809	918,876	916,854
Working Capital Changes					
Change in Inventories		(30,735)	(19,009)	(30,735)	(19,009)
Change in Trade and Other Receivables		(148,812)	36,152	(143,398)	32,705
Change in Amount Due from Related Party		(6,600)	(10,424)	-	-
Change in Amounts Due to Related Parties		(119,156)	2,910	(123,023)	5,304
Change in Trade and Other Payables		82,932	39,661	90,585	33,569
Cash from Operating Activities		740,773	1,018,099	712,305	969,423
Interest Paid		(1,432)	(25,604)	(1,432)	(25,604)
Tax Paid		(125,829)	(131,663)	(121,369)	(128,293)
Net Cash from Operating Activities		613,512	860,832	589,504	815,526
Cash Flows from Investing Activities					
Purchase and Construction of Property, Plant and Equipment	12	(148,539)	(192,763)	(148,539)	(192,769)
Acquisition of Intangible Assets	13	(40,881)	(15,991)	(40,881)	(15,991)
Lease Prepayment		-	(33,435)	-	(33,435)
Net movement in Investments	19	191,255	234,367	192,556	255,464
Proceeds on Disposal of Property, Plant and Equipment		92	-	92	-
Net Cash from / (Used in) Investing Activities		1,927	(7,822)	3,228	13,269
Cash Flows from Financing Activities					
Dividend Paid During the year		(825,832)	(74,637)	(825,832)	(74,637)
Net movement in Loans and Borrowings	24	167,418	(207,722)	167,418	(207,722)
Net Cash Used in Financing Activities		(658,414)	(282,359)	(658,414)	(282,359)
Net (Decrease) / Increase in Cash and Cash Equivalents		(42,975)	570,651	(65,682)	546,436
Cash and Cash Equivalents at Beginning of the Year		833,970	263,319	799,463	253,027
Cash and Cash Equivalents at End of the Year	20	790,995	833,970	733,781	799,463

Figures in brackets indicate deductions.

The Consolidated and Separate Financial Statements are to be read in conjunction with the related notes, which form an integral part of the Consolidated and Separate Financial Statements of the Company set out on pages 99 to 138. The Report of the Independent Auditors is given on pages 88 to 93.

1. REPORTING ENTITY

Ooredoo Maldives PLC (the "Company") is a Company incorporated and domiciled in the Republic of Maldives as a private limited liability Company since 7th December 2004 under the name of "Wataniya Telecom Maldives Private Limited" with its registered office at 2nd Floor, Urban Unit Building, Hulhumale, Republic of Maldives. The Company's name was changed to "Ooredoo Maldives Private Limited and Ooredoo Maldives PLC" respectively with effect from 22nd December 2013 and 6th October 2016 and presently governed under the Companies' Act No. 10 of 1996, with its registered office at P.O. Box 2196, 5th Floor, H. Sunleet, Gadhage' Mohamedfulhu Building, Boduthakurufaanu Magu, Male', Republic of Maldives.

The main business activity of the Company is to engage in the provision of mobile telephone, mobile telecommunication services and provide internet services in Republic of Maldives under a license from Communication Authority of Maldives.

The consolidated financial statements of the Company for the year ended 31st December 2018 comprise the Company and its subsidiary WARF Telecom International Private Limited (together referred to as the "Group").

The Company is the immediate holding Company of WARF Telecom International Private Limited, which is engaged in facilitating the bulk sale of international telecommunications and to construct and operate all telecommunications apparatus and or facilities that are required to provide international telecommunications bandwidth in and out of the Republic of Maldives. As at the reporting date, the Company holds 65% shareholding of WARF Telecom International Private Limited.

The Company's ultimate parent undertaking and controlling party is Ooredoo Q.S.C., a Company incorporated and domiciled in Qatar.

Separate financial statements of the parent Company is presented as a part of the consolidated financial statements of the Group for the purpose of filling the business profit tax return with the Maldives Inland Revenue Authority.

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

The Consolidated and Separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

B. BASIS OF MEASUREMENT

The Consolidated and Separate financial statements have been prepared on the historical cost basis.

C. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated and separate financial statements are presented in Maldivian Rufiyaa, which is the Group's functional currency. All financial information presented in Maldivian Rufiyaa has been rounded to the nearest thousand Rufiyaa.

D. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements, and have been applied consistently by the Group.

A. BASIS OF CONSOLIDATION

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

iii. Non-Controlling Interest

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

B. TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies other than the functional currency are translated to the functional currency at the exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in the profit or loss.

Non-monetary assets and liabilities, which are measured at historical cost, denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates of transactions. Non-monetary assets and liabilities, which are stated at fair value, denominated in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates the values were determined.

3.1. FINANCIAL INSTRUMENTS

i. Financial Assets (Non-derivative)

Accounting Policy Applied before 1st January 2018

The Group initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

i Financial Assets (Non-Derivative) (Continued)

The Group has the following financial assets (non-derivative):

- Receivables
- Investments
- Cash and Cash Equivalents

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Receivables comprise trade and other receivables and amount due from related party.

Investments

Investments comprise fixed deposits in banks with maturities over three months and investments in treasury bills.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and deposits in banks with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value.

Accounting Policy Applied after 1st January 2018

Classification and initial measurement

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings. Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
 3.1 Financial Instruments (Continued)
 i Financial Assets (Non-Derivative) (Continued)

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

De-recognition

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

ii. **Financial liabilities (non-derivative)**

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

ii Financial Liabilities (Non-Derivative) (Continued)

The Group's non-derivative financial liabilities consist of loans and borrowings, amounts due to related parties and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

A financial liability is derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iii. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

3.2. PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

ii. Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii. Capital Work in Progress

Capital work in progress as at the year end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

iv. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property, Plant and Equipment (Continued)

iv. Depreciation (Continued)

- Leasehold Improvement Over 5 Years
- Network Equipment Over 8 Years
- Network Infrastructure Equipment Over 14 Years
- Office and Computer Equipment Over 3 to 5 Years
- Furniture and Fixtures Over 5 Years
- Power/ Tool and Equipment Over 3 to 14 Years
- Vessels and Motor Vehicles Over 5 Years

Depreciation is provided from the month in which the property, plant and equipment is ready for use. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3. INTANGIBLE ASSETS

i. Recognition and Measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses if any.

The Company's right to receive rentals in exchange for obligation to provide construction service has been recognized as an intangible asset. The rights received as consideration for construction service are recognized at cost, which is the value of consideration received or receivable for the Construction Services.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Capital Work in Progress

Capital work in progress as at the year end represents the costs incurred or accrued for the projects which are not commissioned for commercial operation as at the year end.

iv. Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected patterns of consumption of the future economic benefits embodied in the assets.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- License Fee Over 15 Years
- IT Software Over 3 to 8 Years
- Capacity Right Over 15 years

3.4. PREPAID LEASE RENTAL

Payments made under operating leases are recognized in profit or loss on straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5. INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6. IMPAIRMENT

i. Financial Assets (including receivables)

Accounting policy applied before 1st January 2018

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Specifically, the Group recognises a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost or at FVTOCI;
2. Trade receivables;
3. Cash and bank balances; and
4. Contract assets;

In particular, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The Group applies a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Impairment (Continued)

i. Financial Assets (Including Receivables) (Continued)

The Group considers a financial asset to be in default when,

- The borrower is unlikely to pay its credit obligations to the Group in full.
- The financial asset is more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are presented by deducting from the gross carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial Assets

The carrying amounts of the Group's non-financial assets except inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

3.7. BORROWING COST

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the construction of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

3.8. EMPLOYEE BENEFITS

A. SHORT TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations of the Group are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B. DEFINED CONTRIBUTION PLANS - EMPLOYEES' RETIREMENT PENSION SCHEME

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Employees are eligible for Employees' Retirement Pension Scheme Contributions in accordance with the respective statutes and regulations. The Company contributes 7% of gross emoluments of employees to the Employees' Retirement Pension Scheme.

C. SHARE BASED PAYMENT ARRANGEMENT

The fair value of the amounts payable to employees in respect of shadow shares, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to the payment. The liability is remeasured at each reporting date and settlement date based on the fair value of the shadow shares. Any changes in the liability is recognized in profit or loss for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9. PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

A provision is made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located.

3.10. REVENUE RECOGNITION

Revenue is recognised net of discounts and represents the amounts receivables in respect of goods and services provided to the customers.

A. SALE OF GOODS

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue from sales of telecommunications equipment is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the performance obligation related to the supply of the goods is completed, recovery of the consideration is probable, the associated costs and possible

Return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The total consideration on arrangements with multiple revenue generating activities (generally the sale of telecommunications equipment and ongoing service) is allocated to those components that are separable based on the estimated fair value of the components.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

B. SERVICES

Revenue from services is recognized as the services are provided. Revenue from service contracts that cover periods of greater than 12 months is recognized in the profit and loss in relation to the level of performance obligations satisfied during the period. In respect of services invoiced in advance, amounts are deferred until provision of the service.

Amounts payable by and to other telecommunications operators are recognized as the services are provided. Charges are negotiated separately and are subject to continual review. Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunication operators for inter-connect fees.

Customer revenues from the billing cycle date to the end of each period is accrued. Unearned monthly access charges relating to periods after each accounting period are deferred.

Mobile revenue comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, and the provision of other mobile telecommunications services. Mobile monthly access charges are invoiced and recorded as part of a periodic billing cycle. Airtime, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid cards, is recorded in the period in which the customer uses the service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue Recognition (Continued)

B Services (Continued)

The Company recognizes revenue from the transmission of content and traffic on its network originated by third-party providers. The Company assesses whether revenue should be recorded gross as principal or net as agent, based on the particular features of such arrangements. Revenue arising from the provision of other services, including maintenance contracts, is recognized evenly over the periods in which the service is provided.

Changes to the revenue recognition policies due to adoption of IFRS 15 are disclosed in Note 38.1 to the consolidated and separate financial statements.

3.11. TAX EXPENSE

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.12. EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

The materiality of the events occurring subsequent to the reporting date has been considered and appropriate adjustments and provisions have been made in the consolidated financial statements wherever necessary.

3.13. FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest on fixed deposits and treasury bills.

Finance costs comprises interest expense on borrowings. Borrowings costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

ii. Financial liabilities (Non-derivative)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

A number of new standards and amendments are effective for annual periods beginning after 1st January 2018 and early application is permitted. However, the Group / Company has not early adopted the following new or amended standards in preparing these financial statements.

A. IFRS 16 - LEASES

IFRS 16 replaces existing leasing guidance, including IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the substance of Transactions involving the legal form of a Lease".

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard. The Group is required to adopt IFRS 16 - "Leases" from 1st January 2019. The Group / Company has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated and separate financial statements, as described below.

i. Leases in which Group / Company is a lessee

The Group / Company will recognize new assets and liabilities for its operating leases of telecommunication towers. The nature of expenses related to those leases will now change because the Group / Company will recognize a depreciation charge for right-of-use asset and interest expense on lease liabilities.

Previously, the Group / Company recognized operating lease expense on straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there were a timing difference between actual lease payments and the expense recognized.

In addition, the Group / Company will no longer recognize provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability. No significant impact is expected for the Group's / Company's finance leases.

Based on the information currently available, the Group / Company estimates that it will recognize additional lease liability of MVR 153,345 ("000") as at 1st January 2019.

ii. Transition

The Group / Company plans to apply IFRS 16 initially on 1st January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings as at 1st January 2019, with no restatement of comparative information.

B. OTHER STANDARDS

The following amended standards are not expected to have a significant impact on the Group's / Company's financial statements.

- IFRIC 23 Uncertainty over Tax Treatment.
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long – term interest in Associates and Joint Venture (Amendments to IAS 28)
- Plan Amendment, Curtailment or settlement (Amendments to IAS 19)
- Annual Improvement to IFRS Standards 2015 -2017 Cycle – various standards.
- Amendments to reference to conceptual Framework in IFRS Standards.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

6 REVENUE	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Mobile Telephony	1,596,607	1,663,672	1,596,607	1,663,672
Handsets and Accessories Sales	97,195	18,846	97,195	18,846
Broadband and Other Rental Income	216,290	125,741	216,290	125,741
Capacity Rights	41,254	35,836	-	-
	<u>1,951,346</u>	<u>1,844,095</u>	<u>1,910,092</u>	<u>1,808,259</u>

7 OTHER INCOME	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Management Fee	-	-	2,436	2,436
Gain on Sale of Property, Plant and Equipment	92	-	92	-
Reversal of Impairment Loss on Investment in Subsidiary	-	-	-	32,399
Exchange Gain	1,259	-	1,259	-
Reversal of Impairment Loss on Intangible Asset	-	35,003	-	-
Sundry Income	1,954	1,711	1,954	1,711
	<u>3,305</u>	<u>36,714</u>	<u>5,741</u>	<u>36,546</u>

8 OPERATING EXPENSES	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Direct Cost of Services	604,269	517,775	613,207	529,262
Personnel Costs (Note 8.1)	168,726	152,403	168,726	152,403
Management Fees	53,978	51,381	53,978	51,381
Provision for Obsolete Inventories	304	10,580	304	10,580
Provision for Impairment of Trade Receivables	19,516	20,253	19,516	20,253
Marketing Expenses	61,247	61,693	61,247	61,693
Repair and Maintenance Costs	21,845	32,996	21,845	32,996
Operating Lease Rent	6,747	6,651	6,747	6,651
Royalty Expense	28,651	27,124	28,651	27,124
Professional Fees	9,690	10,563	9,597	10,470
Other Operating Costs	47,442	33,538	40,408	37,337
	<u>1,022,415</u>	<u>924,957</u>	<u>1,024,226</u>	<u>940,150</u>

8.1 Personnel Costs	Group		Company	
	2018	2017	2018	2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Salaries and Wages	92,481	86,326	92,481	86,326
Pension Fund Contribution	3,891	3,369	3,891	3,369
Cost of Share Based Payment Awards (Note 25.2)	3,993	1,756	3,993	1,756
Other Staff Costs	68,361	60,952	68,361	60,952
	<u>168,726</u>	<u>152,403</u>	<u>168,726</u>	<u>152,403</u>

10 TAX EXPENSE (CONTINUED)

10.2 Deferred Tax Assets (Continued)

As at 31st December 2017	Group		Company	
	31/12/2017		31/12/2017	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Property, Plant and Equipment	96,445	14,466	99,062	14,859
Intangible Assets	15,164	2,275	15,164	2,275
Asset Retirement obligation	1,756	263	1,756	263
	<u>113,365</u>	<u>17,004</u>	<u>115,982</u>	<u>17,397</u>

10.3 Deferred Tax Liabilities

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January	122	-	3,208	3,841
Recognized/ (Reversed) During the Year	(17)	122	(791)	(633)
As at 31st December	<u>105</u>	<u>122</u>	<u>2,417</u>	<u>3,208</u>

The Recognized Deferred Tax Assets are Attributable to the Following;

As at 31st December 2018	Group		Company	
	31/12/2018		31/12/2018	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Intangible Assets	704	105	16,116	2,417

As at 31st December 2017

	Group		Company	
	31/12/2017		31/12/2017	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Intangible Assets	810	122	21,383	3,208

11 BASIC AND DILUTED EARNING PER SHARE

The calculation of basic and diluted earnings per share is based on profit for the year attributable to the ordinary shareholders and weighted number of ordinary shares outstanding during the year and calculated as follows;

	Group		Company	
	2018	2017	2018	2017
Profit for the Year Attributable to Shareholders (MVR. "000")	538,111	558,439	525,735	550,002
Weighted Average Number of Ordinary Shares in Issue ("000")	147,800	147,800	147,800	147,800
Basic and Diluted Earnings Per Shares (MVR.)	<u>3.64</u>	<u>3.78</u>	<u>3.56</u>	<u>3.72</u>

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

12 PROPERTY, PLANT AND EQUIPMENT

12.1 Group

	Leasehold	Network	Network	Network	Office and	Furniture	Power/ Tool	Vessels	Capital	Total	Total
	Improvements	Equipment	Infrastructure	Equipment	Computer	and Fixtures	and	and	Work In	2018	2017
	MVR "000"	MVR "000"	Equipment	Infrastructure	Equipment	MVR "000"	Equipment	Motor Vehicles	Progress	MVR "000"	MVR "000"
Cost											
As at 1st January	31,660	1,362,720	798,962	61,167	18,679	184,035	13,894	76,134	2,547,251	2,356,382	
Additions During the Year	-	-	1,167	4,379	1,495	-	-	141,498	148,539	193,253	
Transferred from Capital Work in Progress	1,473	64,575	28,788	-	-	21,621	365	(116,822)	-	-	
Transferred from Intangible Assets	-	-	-	-	-	-	-	-	-	6,162	
Transferred to Inventory (Note 32)	-	-	-	-	-	-	-	-	-	(3,847)	
Changes to the Asset Retirement Obligation	-	-	938	-	-	-	-	-	938	(4,699)	
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-	
As at 31st December	33,133	1,424,869	829,855	65,546	19,148	205,656	14,259	100,810	2,693,276	2,547,251	
Accumulated Depreciation											
As at 1st January	28,599	803,025	442,017	54,279	13,424	149,159	11,253	-	1,501,756	1,285,605	
Charge for the Year	1,820	140,310	50,504	5,915	2,195	18,254	1,330	-	220,328	216,151	
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-	
As at 31st December	30,419	940,909	492,521	60,194	14,593	167,413	12,583	-	1,718,632	1,501,756	
As at 31st December 2018	2,714	483,960	337,334	5,352	4,555	38,243	1,676	100,810	974,644		
As at 31st December 2017	3,061	559,695	356,945	6,888	5,255	34,876	2,641	76,134	1,045,495		

12.1.1 The Capital work in progress mainly includes the amount incurred in respect of the Network equipments and Office computer equipment projects. The total cost amount to MVR 72,654,027/- and MVR 12,506,722/- respectively, as at 31st December 2018 (2017: MVR 54,899,180 and MVR 5,742,686/-)

12.1.2 The Group has capitalized the borrowing costs related to the acquisition and construction of Network Equipments and Network Infrastructure equipments amount of MVR 1,587,064/- (2017: MVR 467,654/-).

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.2 Company	Leasehold	Network	Network	Office and	Furniture	Power/Tool	Vessels	Capital	Total	Total
	Improvement	Equipment	Infrastructure	Computer	and Fixtures	and	and	Work In	2018	2017
	MVR "000"	MVR "000"	Equipment	Equipment	MVR "000"	Equipment	Motor Vehicles	Progress	MVR "000"	MVR "000"
Cost										
As at 1st January	31,660	1,362,720	781,342	61,167	18,679	178,546	13,894	76,134	2,524,142	2,333,273
Additions During the Year	-	-	1,167	4,379	1,495	-	-	141,498	148,539	193,253
Transferred from Capital Work In Progress	1,473	64,575	28,788	-	-	21,621	365	(116,822)	-	-
Transferred from Intangible Assets	-	-	-	-	-	-	-	-	-	6,162
Transferred to Inventory (Note 32)	-	-	-	-	-	-	-	-	-	(3,847)
Changes to the Asset Retirement Obligation	-	-	938	-	-	-	-	-	938	(4,699)
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	33,133	1,424,869	812,235	65,546	19,148	200,167	14,259	100,810	2,670,167	2,524,142
Accumulated Depreciation										
As at 1st January	28,599	803,025	436,629	54,279	13,424	143,995	11,253	-	1,491,204	1,276,341
Charge for the Year	1,820	140,310	49,330	5,915	2,195	18,140	1,330	-	219,040	214,863
Disposals During the Year	-	(2,426)	-	-	(1,026)	-	-	-	(3,452)	-
As at 31st December	30,419	940,909	485,959	60,194	14,593	162,135	12,583	-	1,706,792	1,491,204
As at 31st December 2018	2,714	483,960	326,276	5,352	4,555	38,032	1,676	100,810	963,375	
As at 31st December 2017	3,061	559,695	344,713	6,888	5,255	34,551	2,641	76,134		1,032,938

12.2.1 The Capital work in progress mainly includes the amount incurred in respect of the Network equipments and Office computer equipment projects. The total cost amount to MVR 72,654,027/- and MVR 12,506,722/- respectively, as at 31st December 2018 (2017: MVR 54,899,180 and MVR 5,742,686/-)

12.2.2 The Company has capitalized the borrowing costs related to the acquisition and construction of Network Equipments and Network Infrastructure equipments amount of MVR1,587,064/- (2017: MVR 467,654/-).

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

13	INTANGIBLE ASSETS	License Fee	IT Software	Capacity Right	Capital Work In Progress	Total 2018	Total 2017
13.1	Group	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
	Cost						
	As at 1st January	15,420	242,831	385,500	4,829	648,580	638,751
	Additions During the Year	-	-	-	40,881	40,881	15,991
	Transferred from Capital Work in Progress	-	10,978	-	(10,978)	-	-
	Transferred to Property Plant and Equipment	-	-	-	-	-	(6,162)
	As at 31st December	<u>15,420</u>	<u>253,809</u>	<u>385,500</u>	<u>34,732</u>	<u>689,461</u>	<u>648,580</u>
	Accumulated Amortization and Impairment						
	As at 1st January	13,204	194,826	303,343	-	511,373	513,759
	Amortization for the Year	1,064	20,367	20,540	-	41,971	32,617
	Reversal of Impairment loss on Intangible Asset	-	-	-	-	-	(35,003)
	As at 31st December	<u>14,268</u>	<u>215,193</u>	<u>323,883</u>	<u>-</u>	<u>553,344</u>	<u>511,373</u>
	Net Carrying Values						
	As at 31st December 2018	<u>1,152</u>	<u>38,616</u>	<u>61,617</u>	<u>34,732</u>	<u>136,117</u>	
	As at 31st December 2017	<u>2,216</u>	<u>48,005</u>	<u>82,157</u>	<u>4,829</u>		<u>137,207</u>

13.1.1 The Group has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Group to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition. As such the license is to be expired in December 2021.

13.1.2 The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years.

13.1.3 The Group has entered into an agreement with Reliance Globalcom Limited (Flag Telecom Group Limited) during the year ended 31st December 2005 for use of capacity right of a fiber optic cable for a period of fifteen years. The amount paid by the Group to acquire the capacity right has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition.

13.1.4 The Capital work in progress mainly includes amounts incurred in respect of developing the Oracle ERP and E-Commerce Solution.

OOREDOO MALDIVES PLC
 (INCORPORATED IN THE REPUBLIC OF MALDIVES)
 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31ST DECEMBER 2018

13 INTANGIBLE ASSET (CONTINUED)

13.2 Company	License Fee	IT Software	Capital Work In Progress	Total 2018	Total 2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Cost					
As at 1st January	15,420	242,831	4,829	263,080	253,251
Additions During the Year	-	-	40,881	40,881	15,991
Transferred from Capital Work in Progress	-	10,978	(10,978)	-	-
Transferred to Property Plant and Equipment	-	-	-	-	(6,162)
As at 31st December	<u>15,420</u>	<u>253,809</u>	<u>34,732</u>	<u>303,961</u>	<u>263,080</u>
Accumulated Amortization					
As at 1st January	13,204	194,826	-	208,030	187,201
Amortization for the Year	<u>1,064</u>	<u>20,367</u>	<u>-</u>	<u>21,431</u>	<u>20,829</u>
As at 31st December	<u>14,268</u>	<u>215,193</u>	<u>-</u>	<u>229,461</u>	<u>208,030</u>
Net Carrying Values					
As at 31st December 2018	<u>1,152</u>	<u>38,616</u>	<u>34,732</u>	<u>74,500</u>	
As at 31st December 2017	<u>2,216</u>	<u>48,005</u>	<u>4,829</u>		<u>55,050</u>

13.2.1 The Company has entered into an agreement with the Government of the Republic of Maldives during the year ended 31st December 2005 to obtain a Mobile Telecommunications License to install, own, operate and manage a mobile telecommunication network and provide mobile telecommunication services for a period of fifteen years. The amount paid by the Company to acquire the mobile telecommunication license has been recognized as an intangible asset and amortized over a period of 15 years commencing from the date of acquisition.

13.2.2 The purchase and upgrade cost of IT software has been recognized as an intangible assets and amortized over a period of 3 to 8 years.

13.2.3 The Capital work in progress mainly includes amounts incurred in respect of developing the Oracle ERP and E-Commerce Solution.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

14	PREPAID LEASE RENT	Group		Company	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		MVR "000"	MVR "000"	MVR "000"	MVR "000"
	As at 1st January	33,435	-	33,435	-
	Additions During the Year	-	33,435	-	33,435
	31st December	<u>33,435</u>	<u>33,435</u>	<u>33,435</u>	<u>33,435</u>
	Accumulated Amortization				
	As at 1st January	281	-	281	-
	Amortization for the Year	338	281	338	281
	As at 31st December	<u>619</u>	<u>281</u>	<u>619</u>	<u>281</u>
	Net Carrying Values				
	As at 31st December 2018	<u>32,816</u>		<u>32,816</u>	
	As at 31st December 2017		<u>33,154</u>		<u>33,154</u>
	The Company has paid an amount of MVR 33,435,480/- to the Housing Development Corporation Limited as payment for the Land in Hulhumale' acquired for commercial use period for 99 years commencing as per the lease agreement dated 23rd March 2017, entered into between the Company and Housing Development Corporation Limited.				
15	INVESTMENT IN SUBSIDIARY			Company	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		MVR "000"	MVR "000"	MVR "000"	MVR "000"
	WARF Telecom International Private Limited			255,587	255,587
	Impairment of Investment (Note 15.1)			<u>(67,099)</u>	<u>(67,099)</u>
				<u>188,488</u>	<u>188,488</u>
15.1	Provision for Impairment of the Investment in Subsidiary			31/12/2018	31/12/2017
				MVR "000"	MVR "000"
	As at 1st January			67,099	99,498
	Reversal of Provision for Impairment Loss During the Year			-	<u>(32,399)</u>
	As at 31st December			<u>67,099</u>	<u>67,099</u>
16	INVENTORIES	Group		Company	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		MVR "000"	MVR "000"	MVR "000"	MVR "000"
	Inventories	66,119	34,776	66,119	34,776
	Less: Provision for Obsolete Inventories (Note 16.1)	<u>(13,825)</u>	<u>(13,521)</u>	<u>(13,825)</u>	<u>(13,521)</u>
		<u>52,294</u>	<u>21,255</u>	<u>52,294</u>	<u>21,255</u>

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

16 INVENTORIES (CONTINUED)

16.1 Provision for Obsolete Inventories

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
As at 1st January	13,521	2,941	13,521	2,941
Provision Made During the Year	304	10,580	304	10,580
As at 31st December	<u>13,825</u>	<u>13,521</u>	<u>13,825</u>	<u>13,521</u>

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Trade and Billing Receivables	390,066	285,208	385,882	285,208
Advances and Prepayments	13,584	13,994	13,584	13,994
Refundable Deposits	4,282	3,902	4,175	3,795
Advances Paid to Contract Services	2,889	2,889	2,749	2,749
Other Receivables	109,064	25,304	105,540	23,010
	<u>519,885</u>	<u>331,297</u>	<u>511,930</u>	<u>328,756</u>
Less: Provision for Expected Credit Loss of Trade Receivables (Note 17.1)	<u>(103,382)</u>	<u>(83,122)</u>	<u>(103,242)</u>	<u>(82,982)</u>
	<u>416,503</u>	<u>248,175</u>	<u>408,688</u>	<u>245,774</u>

17.1 Provision for Expected Credit Loss of Trade Receivables

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
As at 1st January	83,122	62,869	82,982	62,729
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	744	-	744	-
Provision Made During the Year	19,516	20,253	19,516	20,253
As at 31st December	<u>103,382</u>	<u>83,122</u>	<u>103,242</u>	<u>82,982</u>

18 AMOUNT DUE FROM RELATED PARTY

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Focus Infocom Private Limited	44,930	31,985	-	-
Provision for Expected Credit Losses (Note 18.1)	<u>(6,345)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>38,585</u>	<u>31,985</u>	<u>-</u>	<u>-</u>

18.1 Provision for Expected Credit Losses

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	6,314	-	-	-
Provision Made During the Year	31	-	-	-
As at 31st December 2018	<u>6,345</u>	<u>-</u>	<u>-</u>	<u>-</u>

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

19 INVESTMENTS

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Investments in Treasury Bills	-	50,000	-	50,000
Investments in Fixed Deposits	355,310	498,223	212,603	357,000
	355,310	548,223	212,603	407,000
Provision for Expected Credit Losses (Note 19.1)	(374)	-	(194)	-
	354,936	548,223	212,409	407,000

19.1 Provision for Expected Credit Losses of Investments

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	2,406	-	2,229	-
Reversal of Provision During the Year	(2,032)	-	(2,035)	-
As at 31st December	374	-	194	-

Investments in fixed deposits with maturities exceeding 3 months measured at amortized cost. the Interest rate of the deposits are ranging from 1.75% to 4% per annum and mature within one year.

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Cash in Hand	2,909	2,331	2,909	2,331
Balances with Banks (Note 20.2)	1,254,506	1,173,442	1,197,292	1,138,935
	1,257,415	1,175,773	1,200,201	1,141,266
Provision for Expected Credit Losses of Bank Balances (Note 20.1)	(884)	-	(816)	-
	1,256,531	1,175,773	1,199,385	1,141,266
Less : Balance not belonging to the Group/ the Company (Note 20.2)	(466,420)	(341,803)	(466,420)	(341,803)
Cash and cash equivalents for the purpose of cash flow	790,995	833,970	733,781	799,463

20.1 Provision for Expected Credit Losses of Bank Balances

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	2,274	-	2,232	-
Reversal of Provision During the Year	(1,390)	-	(1,416)	-
As at 31st December	884	-	816	-

20.2 The above balance with banks represents MVR 446,420/- ("000") held by the Group / Company on behalf of its share holder Wataniya International Fz-LLC.

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

21 SHARE CAPITAL

21.1 Authorized

Authorized share capital comprises of 155,202,000 (2017: 155,202,000) ordinary shares. All shares are at par value of MVR. 10/- (2017 : MVR 10/-) each.

21.2 Issued Share Capital

Issued share capital comprises of 147,800,401 (2017: 147,800,401) ordinary shares. All shares are at par value of MVR 10/- (2017: MVR 10/-) each.

21.3 Fully Paid Share Capital

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
As at 1st January	1,478,004	1,478,004	1,478,004	1,478,004
As at 31st December	<u>1,478,004</u>	<u>1,478,004</u>	<u>1,478,004</u>	<u>1,478,004</u>

21.4 Dividends and Voting Rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

The Company has paid a dividend of MVR. 3.20/- (2017: 2.75/-) per share amounting to MVR. 4,729,613/- (2017 : MVR. 4,064,511/-) the year ended 31st December 2018.

22 RESERVE ON TRANSLATION OF SHARE CAPITAL

Consequent to the decision taken by the Board of Directors of the Group/ Company, the functional currency of the Group/ Company was changed from United States Dollar (US\$) to Maldivian Rufiyaa (MVR.) with effect from 1st January 2014. The exchange difference arose from the translation of issued share capital as at 1st January 2014 was recognized in this reserve. This is an undistributable reserve.

23 NON-CONTROLLING INTEREST

	Group	
	31/12/2018	31/12/2017
	MVR"000"	MVR"000"
As at 1st January	104,651	82,663
Adjustment Due to Initial Application of IFRS 9 (Note 38.2)	(2,286)	-
Share of Net Result of the Subsidiary	<u>6,661</u>	<u>21,988</u>
As at 31st December	<u>109,026</u>	<u>104,651</u>

The following table summarizes the information relating to WARF Telecom International Private Limited which is the subsidiary of the Company that has material Non-Controlling Interest (NCI), before any intra group eliminations,

	31/12/2018	31/12/2017
	MVR"000"	MVR"000"
Non-Controlling Interest %	35%	35%
Non-Current Assets	75,199	97,800
Current Assets	246,075	213,982
Non-Current Liabilities	(392)	(393)
Current Liabilities	<u>(9,321)</u>	<u>(12,332)</u>
Net Assets	<u>311,561</u>	<u>299,057</u>
Net Assets Attributable to NCI	<u>109,026</u>	<u>104,651</u>

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

23	NON-CONTROLLING INTEREST (CONTINUED)	31/12/2018		31/12/2017	
		MVR"000"		MVR"000"	
	Non-Controlling Interest %	35%		35%	
	Revenue	77,346		84,663	
	Profit After Tax	19,037		62,820	
	Total Comprehensive Income	19,037		62,820	
	Profit Related to NCI	6,661		21,988	
	Net Cash from Operating Activities	21,884		42,214	
	Net Cash Used in Investing Activities	824		(18,000)	
	Net Increase in Cash and Cash Equivalents	22,708		24,214	
24	LOANS AND BORROWINGS	Group		Company	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		MVR"000"		MVR"000"	
	As at 1st January	490,191	543,713	490,191	543,713
	Borrowings During the Year	262,140	46,260	262,140	46,260
	Repayments During the Year	(94,722)	(99,782)	(94,722)	(99,782)
	As at 31st December (Note 32)	<u>657,609</u>	<u>490,191</u>	<u>657,609</u>	<u>490,191</u>
24.1	Sources of Finance				
	Term Loan I	-	30,840	-	30,840
	Term Loan II	-	13,371	-	13,371
	Demand Loan II	-	1,946	-	1,946
	Wataniya International Fz-LLC (Note 24.4)	403,942	403,942	403,942	403,942
	Term Loan III (Note 24.5)	22,623	40,092	22,623	40,092
	Term Loan IV (Note 24.6)	154,200	-	154,200	-
	Term Loan V (Note 24.7)	38,936	-	38,936	-
	Term Loan VI (Note 24.8)	24,415	-	24,415	-
	Term Loan VII (Note 24.9)	13,493	-	13,493	-
		<u>657,609</u>	<u>490,191</u>	<u>657,609</u>	<u>490,191</u>
24.2	Non - Current Liabilities (Note 32.1)	<u>511,394</u>	<u>426,558</u>	<u>511,394</u>	<u>426,558</u>
	Repayment of non-current liabilities schedule is as follows:				
	More Than One Year, Less Than Two Years	480,554	359,841	480,554	359,841
	More Than Two Years, Less Than Three Years	30,840	3,084	30,840	3,084
		<u>511,394</u>	<u>362,925</u>	<u>511,394</u>	<u>362,925</u>
24.3	Current Liabilities	<u>146,215</u>	<u>63,633</u>	<u>146,215</u>	<u>63,633</u>

24 LOANS AND BORROWINGS (CONTINUED)

24.4 Wataniya International Fz-LLC

This loan was obtained to facilitate working capital requirements of the Group. The Principal has to be repaid in full no later than 31st December 2020. The total value of this loan facility is US\$ 62,396,000/-. Annual interest is LIBOR + 5% . In accordance with the resolution dated 22nd April 2014, an amount of US\$ 36,200,000/- (1 US\$ = MVR 15.42) out of this loan is transferred as advance for share capital.

24.5 Term Loan III

In accordance with the loan agreement dated 7th June 2016, the Company has obtained the term loan facility amounting to US\$ 2,000,000/- and loan agreement dated 1st August 2017 , the Company has obtained the term loan facility amounting to US\$ 3,000,000/- at an interest rate of 3% per annum or one month LIBOR + 3% (whichever is higher) for the purpose of working capital requirement. The loan capital is repayable within 30 equal monthly installments of US\$ 66,667/- and US\$ 100,000/- each (1 US\$ = MVR. 15.42) respectively. The facility is secured by a current account deposit amounting to MVR. 15,777,932/- in the name of the Company.

24.6 Term Loan IV

The Company has obtained the term loan facility amounting to US\$ 10,000,000/- at an interest rate of LIBOR + 6.25% for the purpose of working capital requirement. The loan capital is repayable within 30 equal monthly installments of US\$ 333,333/- each (1 US\$ = MVR 15.42). The facility is secured by a current account deposit.

24.7 Term Loan V

The Company has obtained the term loan facility amounting to US\$ 3,500,000/- at an interest rate of 6% for the purpose of working capital requirement. The loan capital is repayable within 17 monthly installments of US\$ 195,000/- each and 1 installment of US\$ 185,000/- (1 US\$ = MVR 15.42). The facility is secured by a MVR deposit equivalent to 125% of outstanding loan amount in USD and 100% lien over MVR deposit.

24.8 Term Loan VI

The Company has obtained the term loan facility amounting to US\$ 2,000,000/- at an interest rate of 1 month USD LIBOR+ 6.1% for the purpose of development of ISP/ Fixed broadband expansion, upgrade projects and working capital requirement. The loan capital is repayable within 24 equal monthly installments of US\$ 83,333/- each. (1 US\$ = MVR 15.42). The facility is secured by a term deposits equivalent in MVR of 120% of the facility amount.

24.9 Term Loan VII

The Company has obtained the term loan facility amounting to US\$ 1,500,000/- at an interest rate of 6 months LIBOR+ 4% p.a for the purpose of finance VAS projects. The loan capital is repayable within 12 equal monthly installments of US\$ 125,000/- each. (1 US\$ = MVR 15.42). The facility is secured by a non-interest bearing saving account.

OREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

25 PROVISIONS	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Network and Asset Retirement Obligation (Note 25.3)	18,785	15,164	18,785	15,164
Share Based payment arrangements (Note 25.4)	5,749	1,756	5,749	1,756
	<u>24,534</u>	<u>16,920</u>	<u>24,534</u>	<u>16,920</u>
25.1 Non - Current Liabilities	<u>18,785</u>	<u>16,920</u>	<u>18,785</u>	<u>16,920</u>
25.2 Current Liabilities - Share Based Payment	<u>5,749</u>	<u>-</u>	<u>5,749</u>	<u>-</u>
25.3 Network and Assets Retirement Obligation				

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
As at 1st January	15,164	18,158	15,165	18,158
Increase Due to Additions	1,167	490	1,167	490
Unwinding of Discount	1,516	1,216	1,516	1,216
Provision / (Reversal) During the Year	<u>938</u>	<u>(4,699)</u>	<u>937</u>	<u>(4,699)</u>
As at 31st December	<u>18,785</u>	<u>15,164</u>	<u>18,785</u>	<u>15,165</u>

The provisions of network and asset retirement obligations represent the provisions made for the best estimate of the present value of the unavoidable future cost of dismantling and removing the items of property, plant and equipment and restoring the sites on which they are located. The following key assumptions have been used to calculate the network and asset retirement obligation.

Lease Period	15 Years	15 Years	15 Years	15 Years
Discount Rate	10%	10%	10%	10%
Expected Future Cost of Escalation	<u>3%</u>	<u>3%</u>	<u>3%</u>	<u>3%</u>

25.4 Share based payment arrangements (Cash settled)

On 1st August 2017, the Company introduced a shadow share scheme as one time IPO incentive to all of its permanent staff members. The amount of cash payment is determined based on the average trading price of the Company's shares on the Maldives Stock Exchange for the 30 days preceding the vesting date of 31st July 2019.

26 AMOUNTS DUE TO RELATED PARTIES	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Ooredoo Kuwait	148,219	148,219	148,219	148,219
Wataniya International Fz-LLC	273,028	553,801	273,028	553,801
Ooredoo Group LLC	16,772	3,474	16,772	3,474
Ooredoo IP LLC.	6,350	12,231	6,350	12,231
WARF Telecom International Private Limited	-	-	-	3,867
	<u>444,369</u>	<u>717,725</u>	<u>444,369</u>	<u>721,592</u>

OOREDOO MALDIVES PLC
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

27 TRADE AND OTHER PAYABLES	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Trade Payables	85,790	113,782	79,828	108,189
Deferred Revenue	78,015	66,934	78,015	66,934
Equipment Suppliers and Contractors	9,646	3,304	9,646	3,304
Advances from Customers	18,248	14,911	18,248	14,911
Accruals and Provisions	238,300	240,252	238,300	240,252
Dividend Payable	404,252	331,814	404,252	331,814
Other Payables	41,377	20,034	38,731	15,894
	<u>875,628</u>	<u>791,031</u>	<u>867,020</u>	<u>781,298</u>

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

(i) Overview

The Group/ Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's/ the Company's exposure to each of the above risks, the Group's/ the Company's objectives, policies and processes for measuring and managing risk, and the Group's/ the Company's management of capital. Further, quantitative disclosures are included throughout these group's/ the Company's financial statements.

(ii) Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's/ the Company's risk management framework.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group/ the Company if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	Gross Amount		Gross Amount	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR "000"	MVR "000"	MVR "000"	MVR "000"
Trade and Other Receivables	503,412	314,414	495,597	312,013
Amount Due from Related Parties	44,930	31,985	-	-
Balances with Banks	1,254,506	1,173,443	1,197,292	1,138,935
Investments in Fixed Deposits	355,310	498,223	212,603	357,000
	<u>2,158,158</u>	<u>2,018,065</u>	<u>1,905,492</u>	<u>1,807,948</u>

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit Risk (Continued)

Trade and Other Receivables

The Group's/ the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk geographically.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's/ the Company's standard payment and delivery terms and conditions are offered. The Group/ the Company establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The provision for impairment represents the specific loss component that relates to individually significant exposures.

Group	31/12/2018		31/12/2017	
	Gross	Impairment	Gross	Impairment
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
The aging of trade and other receivables at the reporting date was:				
Not Past Due	294,090	-	183,678	-
Past Due 0-30 days	44,189	-	27,599	-
Past Due 31-120 days	92,087	30,336	45,023	25,009
Past Due 121-180 days	19,055	19,055	11,901	11,901
Past Due more than 181 days	53,991	53,991	46,212	42,246
	<u>503,412</u>	<u>103,382</u>	<u>314,413</u>	<u>79,156</u>

Company	31/12/2018		31/12/2017	
	Gross	Impairment	Gross	Impairment
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
The aging of trade and other receivables at the reporting date was:				
Not Past Due	287,939	-	181,277	-
Past Due 0-30 days	43,838	-	27,599	-
Past Due 31-120 days	91,514	30,936	45,023	24,869
Past Due 121-180 days	18,903	18,903	11,901	11,901
Past Due more than 181 days	53,403	53,403	46,212	42,106
	<u>495,597</u>	<u>103,242</u>	<u>312,012</u>	<u>78,876</u>

The movement in provision for impairment in respect of trade and other receivables is given in Note 17.1 to consolidated and separate financial statements.

The Group/ the Company believes that the unimpaired amounts that are outstanding are still collectible, based on historic payment behavior. Based on historic default rates, the group believes that, apart from the above, no provision for impairment is necessary.

(iv) Liquidity Risk

Liquidity risk is the risk that the Group/ the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's/ the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's/ the Company's reputation.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iv) Liquidity Risk (Continued)

The followings are the contractual maturities of financial liabilities as at the year end.

31st December 2018

Group	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	779,365	797,613	-	-
Loans and Borrowings*	657,609	146,215	480,554	30,840
Amounts Due to Related Parties	444,369	444,369	-	-
	<u>1,881,343</u>	<u>1,388,197</u>	<u>480,554</u>	<u>30,840</u>

31st December 2017

Group	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	709,186	709,186	-	-
Loans and Borrowings*	490,191	63,633	269,274	3,084
Amounts Due to Related Parties	717,725	717,725	-	-
	<u>1,917,102</u>	<u>1,490,544</u>	<u>269,274</u>	<u>3,084</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31st December 2018

Company	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	770,757	770,757	-	-
Loans and Borrowings*	657,609	146,215	480,554	30,840
Amounts Due to Related Parties	444,369	444,369	-	-
	<u>1,872,735</u>	<u>1,361,341</u>	<u>480,554</u>	<u>30,840</u>

31st December 2017

Company	Carrying Amount MVR"000"	0-12 Months MVR"000"	1-2 Years MVR"000"	2-5 Years MVR"000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	714,364	714,364	-	-
Loans and Borrowings*	490,491	63,633	269,274	3,084
Amounts Due to Related Parties	721,592	721,592	-	-
	<u>1,926,447</u>	<u>1,499,589</u>	<u>269,274</u>	<u>3,084</u>

* Excluding Interest Payments

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's/ the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Profile

At the reporting date, the interest rate profile of the Group's/ the Company's interest-bearing financial instruments was:

	Group		Company	
	Carrying Amount		Carrying Amount	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Variable Rate Instruments				
Financial Liabilities	657,609	335,991	657,609	335,991

Variable Rate Instruments

Financial Liabilities

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) the profit of the Group and Company by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
100 Basis points increase in interest rate	(6,576)	(3,360)	(6,576)	(3,360)
100 Basis points decrease in interest rate	6,576	3,360	6,576	3,360

(b) Exposure to Currency Risk

The Group's exposure to foreign currency risk is as follows based on notional amounts:

Group	31/12/2018		31/12/2017	
	US\$ "000"	Euro "000"	US\$ "000"	Euro "000"
Cash and Cash Equivalents	8,888	141	13,429	1,151
Trade and Other Receivables	2,788	-	3,789	-
Trade and Other Payables	4,036	-	6,394	-
Gross statement of financial position exposure	15,711	141	23,612	1,151

Company

The Company's exposure to foreign currency risk is as follows based on notional amounts:

	31/12/2018		31/12/2017	
	US\$ "000"	Euro "000"	US\$ "000"	Euro "000"
Cash and Cash Equivalents	7,153	141	12,174	985
Trade and Other Receivables	2,788	-	3,789	-
Trade and Other Payables	4,036	-	6,394	-
Gross statement of financial position exposure	13,977	141	22,357	985

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(v) Market risk (Continued)

(b) Exposure to Currency Risk (Continued)

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2018	2017	31/12/2018	31/12/2017
1 MVR. : US\$	0.065	0.065	0.065	0.065
1 MVR. : Euro	0.056	0.071	0.057	0.062

In respect of the monetary assets and liabilities denominated in MVR, the Company has a limited currency risk exposure on such balances since the Maldivian Rufiyaa is pegged to the US Dollar within a band to fluctuate within $\pm 20\%$ of the mid-point of exchange rate.

(vi) Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER 2018

Group	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and Other Receivables	503,412	-	503,412	-	-	-
Amounts Due from Related Parties	44,930	-	44,930	-	-	-
Investments	354,936	-	354,936	-	-	-
Cash and Cash Equivalents	1,256,531	-	1,256,531	-	-	-
	<u>2,159,809</u>	<u>-</u>	<u>2,159,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	657,609	657,609	-	657,609	-
Amounts Due to Related Parties	-	444,369	444,369	-	-	-
Trade and Other Payables	-	779,365	779,365	-	-	-
	<u>-</u>	<u>1,881,343</u>	<u>1,881,343</u>	<u>-</u>	<u>657,609</u>	<u>-</u>

AS AT 31ST DECEMBER 2017

Group	Carrying amount			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and other receivable	314,414	-	314,414	-	-	-
Amounts due from Related Parties	31,985	-	31,985	-	-	-
Investments	548,223	-	548,223	-	-	-
Cash and Cash Equivalents	1,175,773	-	1,175,773	-	-	-
	<u>2,070,395</u>	<u>-</u>	<u>2,070,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	490,191	490,191	-	490,191	-
Amounts Due to Related Parties	-	717,725	717,725	-	-	-
Trade and Other Payables	-	709,186	709,186	-	-	-
	<u>-</u>	<u>1,917,102</u>	<u>1,917,102</u>	<u>-</u>	<u>490,191</u>	<u>-</u>

The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(vi) Accounting Classifications and Fair Values (Continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

AS AT 31ST DECEMBER 2018

Company	Carrying Amount			Fair Value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and Other Receivables	495,597	-	495,597	-	-	-
Investments	212,409	-	212,409	-	-	-
Cash and Cash Equivalents	1,199,385	-	1,199,385	-	-	-
	<u>1,907,391</u>	<u>-</u>	<u>1,907,391</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	657,609	657,609	-	657,609	-
Amounts Due to Related Parties	-	444,369	444,369	-	-	-
Trade and Other Payables	-	770,757	770,757	-	-	-
	<u>-</u>	<u>1,872,735</u>	<u>1,872,735</u>	<u>-</u>	<u>657,609</u>	<u>-</u>

AS AT 31ST DECEMBER 2017

Company	Carrying amount			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Financial Assets not Measured at Fair Value						
Trade and other receivable	312,013	-	312,013	-	-	-
Amounts due from Related Parties	-	-	-	-	-	-
Investments in Fixed Deposits	407,000	-	407,000	-	-	-
Cash and Cash Equivalents	1,141,266	-	1,141,266	-	-	-
	<u>1,860,279</u>	<u>-</u>	<u>1,860,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities not Measured at Fair Value						
Loans and Borrowings	-	490,491	490,491	-	490,491	-
Amounts Due to Related Parties	-	721,592	721,592	-	-	-
Trade and Other Payables	-	714,364	714,364	-	-	-
	<u>-</u>	<u>1,926,447</u>	<u>1,926,447</u>	<u>-</u>	<u>490,491</u>	<u>-</u>

The Group has not disclosed the fair values for financial instruments when their carrying amounts are a reasonable approximation of fair value.

(vii) Capital Management

The Group's / Company's objectives when managing capital are to safeguard the Group's / Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group / Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group / Company monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (including borrowings, trade and other payables, amounts due to related parties and current tax liabilities as shown in the consolidated and separate statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated and separate statement of financial position plus net debt.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(vii) Capital Management (Continued)

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	MVR"000"	MVR"000"	MVR"000"	MVR"000"
Total Liabilities	2,028,500	2,068,015	2,019,184	2,059,550
Less: Cash and Cash Equivalent	(1,256,531)	(1,175,773)	(1,199,385)	(1,141,266)
Net Debt	771,969	892,242	819,799	918,284
Total Equity	1,233,588	1,173,214	1,110,513	1,062,644
Total Capital Employed	2,005,557	2,065,456	1,930,312	1,980,928
Gearing	38%	43%	42%	46%

29 EVENTS SUBSEQUENT TO THE REPORTING DATE

No circumstances have arisen since reporting date which require adjustments to / or disclosure in the consolidated and separate financial statements.

30 INVESTMENT IN SUBSIDIARY

	Country of Incorporation	No. of Shares		Shareholding	
		2018	2017	2018	2017
WARF Telecom International Private Limited	Republic of Maldives	211,331,250	211,331,250	65%	65%

31 CONTINGENT LIABILITIES

31.1 The Maldives Inland Revenue Authority ("MIRA") through their notice of assessment dated 28th June 2018 has instructed the Company to pay an additional business profit tax of MVR 16,775,603/- and accrued interest thereon amounting to MVR 2,641,060/- based on the business profit tax audits carried out for the years of 2013, 2014 and 2015. The Company has filed an objection against the same on 9th September 2018. MIRA has not responded to this objection as of the reporting date.

31.2 A related entity of the Group has filed a case in the Civil Court of Maldives against the Company alleging a breach of contract and claiming damages. The first instance Civil Court has issued a judgment in favor of the related entity, that the Company pay the sum of MVR 67 Million as damages within 4 months from the date of the judgment (i.e. 25th December 2018). The Company has appealed this Civil Court judgment in the High Court of Maldives on 9th January 2019, pursuant to the constitutional right of appeal in Article 56 of the Constitution.

The Board of Directors of the Company is confident that the High Court's judgment in respect of the appeal will be favorable to the Company on the grounds that there are numerous issues relating to jurisdiction of the Civil Court to hear the case, incorrect application of the law (Law of Contracts, Arbitration Act), applicable precedents of higher courts not being followed, incorrect interpretation of the Agreement, reliance on incorrect facts as well as procedural issues. Further, the Civil Court's judgment is subject to appeal at the High Court and finally at the Supreme Court, with the latter having determined in 2011/SC-SJ/04 that stay of enforcement of the judgment being appealed is an accepted principle of civil procedure for exercise of the constitutional right of appeal to the fullest extent, we expect that a stay order will be issued in due course on the judgement of the Civil Court and thus no provision has been made in the financial statements with respect to the Civil Court's judgment.

There are no other contingent liabilities outstanding as at the reporting date, which require disclosure in the consolidated and separate financial statement other than above.

32 COMPARATIVE FIGURES

32.1 The Group had accounted an interest payment amounting to MVR 154,200/- ("000") as a capital repayment of the loan obtained from Wataniya International Fz-LLC during the year ended 31st December 2017. This has been re-classified under amount due to related party.

32.2 The Group had accounted an inventory amounting to MVR 3,847/- ("000") as Capital Work in Progress under Property Plant and Equipment during the year ended 31st December 2017. This has been re-classifying under Inventory.

These reclassifications do not impact the profit for the year ended 31st December 2017 or, to total equity, total assets or total liabilities as at 31st December 2017.

33 COMMITMENTS

33.1 Capital Commitments

The Group/ the Company have entered into contract to purchase / construct property, plant and equipment and intangible assets of MVR. 119,031,011/- as at 31st December 2018 (2017: MVR. 159,727,377/-).

33 COMMITMENTS (CONTINUED)

33.2 Operating lease Commitments

The Group has a number of operating leases over properties for erection of communication towers and offices. The lease expenditure charged to the consolidated statement of profit or loss during the year is disclosed under cost of revenue.

Minimum operating lease commitments under the leases are as follows;

	31/12/2018 MVR"000"	31/12/2017 MVR"000"
Not later than one year	12,279	12,532
Later than one year but not later than five years	46,764	51,282
Later than five years	48,511	50,079
	<u>107,554</u>	<u>113,892</u>

34 RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the Transaction	Amount		Balance Outstanding Due from/ (to)	
			31/12/2018	31/12/2017	31/12/2018	31/12/2017
			MVR"000"	MVR"000"	MVR"000"	MVR"000"
Ooredoo Group LLC	Affiliate Company	Expenses on Behalf	(19,713)	(11,325)	(16,772)	(3,474)
		Repayment	6,415	15,270		
Ooredoo IP LLC	Affiliate Company	Brand license fee	(28,651)	(27,124)	(6,350)	(12,231)
		Withholding Tax paid	2,865	2,712		
		Repayment	31,667	18,354		
Ooredoo Kuwait	Intermediate Parent	No Transactions	-	-	(148,219)	(148,219)
Wataniya International Fz-LLC	Immediate Parent Company	Management Fee	(53,978)	(51,381)	(273,028)	(708,001)
		Withholding Tax paid	5,398	5,138		
		Interest Accrual	(34,591)	(20,288)		
		IPO Proceeds	-	(421,358)		
		Repayment	518,144	153,139		
Focus Infocom Private Limited	Affiliate Company	Lease Line Charges	21,169	23,079	44,930	31,985
		Repayment	(8,224)	(12,655)		

35 Transactions with Key Management Personnel

The Board of Directors of the Company are the members of the key management personnel. The Company has paid MVR 2,867/- ("000") as emoluments to the key management personnel during the year ended 31st December 2018 (for the year ended 31st December 2017: Nil).

36 OPERATING SEGMENTS

The Group's/ the Company's operations are solely providing Telecommunication Services in the Maldives. The operations of the Group/ the Company are looked at as a single operating segment.

The Chief Operating Decision Maker (CODM) of the Group/ the Company is the Chief Executive Officer (CEO) and the Managing Director of the Group/ the Company. The CEO and Managing Director considers the performance of the Group/ the Company as a whole considering the total operations of the Group/ the Company as one segment in assessing the performance of the Group/ the Company and making decisions about the resource allocation within the Organization.

37 DIRECTOR'S RESPONSIBILITY

The Board of Director's of the Company is responsible for the preparation and presentation of these consolidated and separate financial statements.

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The following changes in accounting policies are reflected in Group's / Company's Consolidated and separate financial statements as at and for the year ended 31st December 2018.

The Group / Company has initially adopted IFRS 15 – "Revenue from contracts with customers" and IFRS 9 "Financial Instruments" from 1st January 2018. The effect of initially applying these standards are as follows.

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers"

In the current year, the Group / Company has applied IFRS 15 – "Revenue from Contracts with Customers" (as amended in April 2016) which is effective for an annual period that begins on or after 1st January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Group's / Company's consolidated and separate financial statements are described below.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

The Group's / Company's accounting policies for its revenue streams are disclosed in detail in Note 3.10. Apart from providing more extensive disclosures for the Group's / Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group / Company.

The Group / Company has elected modified retrospective approach and the cumulative effect of initially applying IFRS 15 is recognised in opening retaining earnings as at 1st January 2018 and comparative periods are not restated.

(a) Net Impact of adopting IFRS 15

The following table summarizes the net impact from the adoption of IFRS 15 on accumulated losses as at 1st January 2018

Accumulated Losses	Group / Company - MVR"000"
Closing Balance Under IAS 18 (31st December 2017)	(553,621)
<i>Impact on Revenue Recognition between new and old Standard</i>	
Sales of mobile devices	(7,780)
<i>Impact on Cost Recognition between new and old Standard</i>	
Sales of mobile devices	7,480
Opening Balance under IFRS 15 on date of initial application 1st January 2018	(553,321)

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

Multi elements arrangements (Mobile contract plus handset) - accounting policy after 1st January 2018

The Group / Company has concluded that in case of multiple elements arrangements with products delivered in advance, the component delivered in advance (e.g. mobile handset), will require recognition of a contract asset. Contract asset primarily relates to the Group's/Company's right on consideration for services and goods provided but not billed at the reporting date.

Rendering Services – Customer Loyalty Programme

The Group / Company provides loyalty points to its customers and the current accounting practice for this is required to be amended based on IFRS 15 by estimating the likelihood of redemption of the points and defer the revenue based on that estimation.

The Group / Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The following table summarise the impacts of adopting IFRS 15 on the Group's / Company's statements of financial position as at 31st December 2018 and its consolidated and separate statement of comprehensive income for the year then ended for each of the line items affected. There was no material impact on the Group's / Company's statements of cash flows for the year ended 31st December 2018.

(b) Net impact from adoption of IFRS 15 on consolidated and separate financial statements for the year ended 31st December 2018.

Impact on the Consolidated Statement of Comprehensive Income

Continuing operations	As Reported	Adjustments	Amounts without the adoption of IFRS 15
	MVR"000"	MVR"000"	MVR"000"
Revenue	1,951,346	88,338	1,863,008
Operating Expense	(1,022,415)	(76,290)	(946,125)
Income Tax Expense	(100,343)	(1,807)	(98,536)

Impact on the Separate Statement of Comprehensive Income

Continuing operations	As Reported	Adjustments	Amounts without the adoption of IFRS 15
	MVR"000"	MVR"000"	MVR"000"
Revenue	1,910,092	88,338	1,821,754
Operating Expense	(1,024,226)	(76,290)	(947,936)
Income Tax Expense	(97,001)	(1,807)	(95,194)

Contract assets and liabilities

The following table provides information about receivables, contract assets and contract liabilities from contract with customers.

	GROUP / COMPANY	
	31/12/2018	1/1/2018
	MVR"000"	MVR"000"
Contract assets	46,892	300
Contract liabilities	-	-

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

(b) Net impact from adoption of IFRS 15 on consolidated and separate financial statements for the year ended 31st December 2018 (Continued)

Impact on the Consolidated Statement of Financial Position

	As Reported	Adjustments	Amounts without the adoption of IFRS 15
	MVR"000"	MVR"000"	MVR"000"
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	974,644	-	974,644
Intangible Assets	136,117	-	136,117
Prepaid Lease Rent	32,816	-	32,816
Investment in Subsidiary	-	-	-
Deferred Tax Assets	24,301	-	24,301
Total Non-Current Assets	1,167,878	-	1,167,878
Current Assets			
Inventories	52,294	-	52,294
Trade and Other Receivables	369,611	-	369,611
Contract Cost and Assets	46,892	(46,892)	-
Amount Due from Related Party	38,585	-	38,585
Investments	354,936	-	354,936
Cash and Cash Equivalents	1,256,531	-	1,256,531
Total Current Assets	2,118,849	(46,892)	2,071,957
EQUITY AND LIABILITIES			
Share Capital	1,478,004	-	1,478,004
Reserve on Translation of Share Capital	144,180	-	144,180
Accumulated Losses	(497,624)	46,892	(544,516)
Non-Controlling Interest	109,028	-	109,028
Total Equity	1,233,588	46,892	1,186,696
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	511,394	-	511,394
Provisions	18,785	-	18,785
Deferred Tax Liabilities	105	-	105
Total Non-Current Liabilities	530,284	-	530,284
Current Liabilities			
Loans and Borrowings	146,215	-	146,215
Amounts Due to Related Parties	444,369	-	444,369
Provisions	5,749	-	5,749
Trade and Other Payables	875,628	-	875,628
Income Tax Payable	50,894	-	50,894
Total Current Liabilities	1,522,855	-	1,522,855

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.1 Impact of application of IFRS 15 - "Revenue from Contracts with Customers" (Continued)

(b) Net impact from adoption of IFRS 15 on consolidated and separate financial statements for the year ended 31st December 2018 (Continued)

Impact on the Separate Statement of Financial Position

Company

	As Reported	Adjustments	Amounts without the adoption of IFRS 15
ASSETS	MVR"000"	MVR"000"	MVR"000"
Non-Current Assets			
Property, Plant and Equipment	963,375	-	963,375
Intangible Assets	74,500	-	74,500
Prepaid Lease Rent	32,816	-	32,816
Investment in Subsidiary	188,488	-	188,488
Deferred Tax Assets	24,693	-	24,693
Total Non-Current Assets	1,283,872	-	1,283,872
Current Assets			
Inventories	52,294	-	52,294
Trade and Other Receivables	361,796	-	361,796
Contract Cost and Assets	46,892	(46,892)	-
Amount Due from Related Party	212,409	-	212,409
Investments	1,199,385	-	1,199,385
Cash and Cash Equivalents	1,872,776	-	1,872,776
Total Current Assets	3,745,552	(46,892)	3,698,660
EQUITY AND LIABILITIES			
Share Capital	1,478,004	-	1,478,004
Reserve on Translation of Share Capital	144,180	-	144,180
Accumulated Losses	(511,672)	46,892	(558,564)
Non-Controlling Interest	-	-	-
Total Equity	1,110,513	46,892	1,063,621
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	511,394	-	511,394
Provisions	18,785	-	18,785
Deferred Tax Liabilities	2,417	-	2,417
Total Non-Current Liabilities	532,596	-	532,596
Current Liabilities			
Loans and Borrowings	146,215	-	146,215
Provision	5,749	-	5,749
Amounts Due to Related Parties	444,369	-	444,369
Trade and Other Payables	867,020	-	867,020
Income Tax Payable	50,186	-	50,186
Total Current Liabilities	1,513,539	-	1,513,539

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments"

In the current year, the Group / Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are mandatorily effective for an accounting period that begins on or after 1st January 2018. Transition provisions of IFRS 9 allow an entity not to restate comparatives. Accordingly, the Group / Company has elected not to restate the comparative figures and the cumulative effect arising from the transition is recognised as an adjustment to the opening balance of equity in the year of initial application, i.e. 1st January 2018.

Details of these IFRS 9 new requirements as well as their impact on the Group's / Company's consolidated financial statements are described below.

(a) Classification and Measurement of Financial Instruments

The Directors of the Group / Company reviewed and assessed the Group's / Company's existing financial assets as at 1st January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has no impact on the Group's / Company's financial assets as regards to their measurement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's / Company's financial assets as at 1st January 2018.

Financial assets	Note	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	(i)	Loans and receivables	Amortised cost
Amounts Due from Related Parties	(ii)	Loans and receivables	Amortised cost
Investments	(iii)	Loans and receivables	Amortised cost
Cash and cash equivalents	(iv)	Loans and receivables	Amortised cost

(i). Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

(ii). Amounts Due from Related parties that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

(iii). Investments includes fixed deposits with maturities exceeding 3 months. These were previously classified as loans and receivables under IAS 39 and now as amortized cost.

(iv). Cash and cash equivalents includes cash in hand, balances with banks and fixed deposits with maturities less than 3 months. These were classified as loans and receivables under IAS 39 and now as amortized cost.

* There were no changes to the classification of financial liabilities.

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments" (Continued)

(b) Impairment of Financial Assets

IFRS 9 requires the Group / Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group / Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also permits a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Because the Group / Company has elected not to restate comparatives, for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of financial instruments that remain recognised on the date of initial application of IFRS 9 (i.e. 1 January 2018), the Board of Directors have compared the credit risk of the respective financial instruments on the date of their initial recognition to their credit risk as at 1 January 2018.

The result of the assessment was as follows:

Items existing as at 1 st January 2018 that are subject to the impairment provisions of IFRS 9	Credit risk attributes as at	Cumulative additional loss allowance recognised on 1 st January 2018	
	1 st January 2018	Company MVR"000"	Group MVR"000"
Amounts Due from Related Parties	The Group / Company applies the simplified approach and recognises lifetime ECL for these assets.	-	6,314
Trade and other receivables	The Group / Company applies the simplified approach and recognises lifetime ECL for these assets.	744	744
Contract assets			
Investments	All bank balances and investments in fixed deposits are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions. In identifying the credit risk, the Group / Company has mapped its internal credit rating scale to Moody's rating scale as at 1 st January 2018.	2,229	2,406
Cash and bank balances		2,232	2,273

(c) Net Impact of adopting IFRS 9

Particulars	Accumulated Losses MVR"000"	Non - Controlling Interest MVR"000"	Total MVR"000"
Closing balance as at 31 December 2017	(553,621)	104,651	(448,970)
Impact on recognition of Expected Credit Losses			
Trade and Other receivables	(744)	-	(744)
Amount Due from Related Party	(4,104)	(2,210)	(6,314)
Investments	(2,345)	(62)	(2,406)
Bank balance and deposits	(2,260)	(14)	(2,274)
Balance as at 1 January 2018 (after IFRS 9 adjustment)	(563,072)	102,365	(460,707)

The additional loss allowance recognised upon the initial application of IFRS 9 as disclosed above resulted entirely from a change in the measurement attribute of the loss allowance relating to each financial assets.

38 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

38.2 Impact of Initial Application of IFRS 9 - "Financial Instruments" (Continued)

d) Changes to Groups / Company's financial risk management objectives and policies

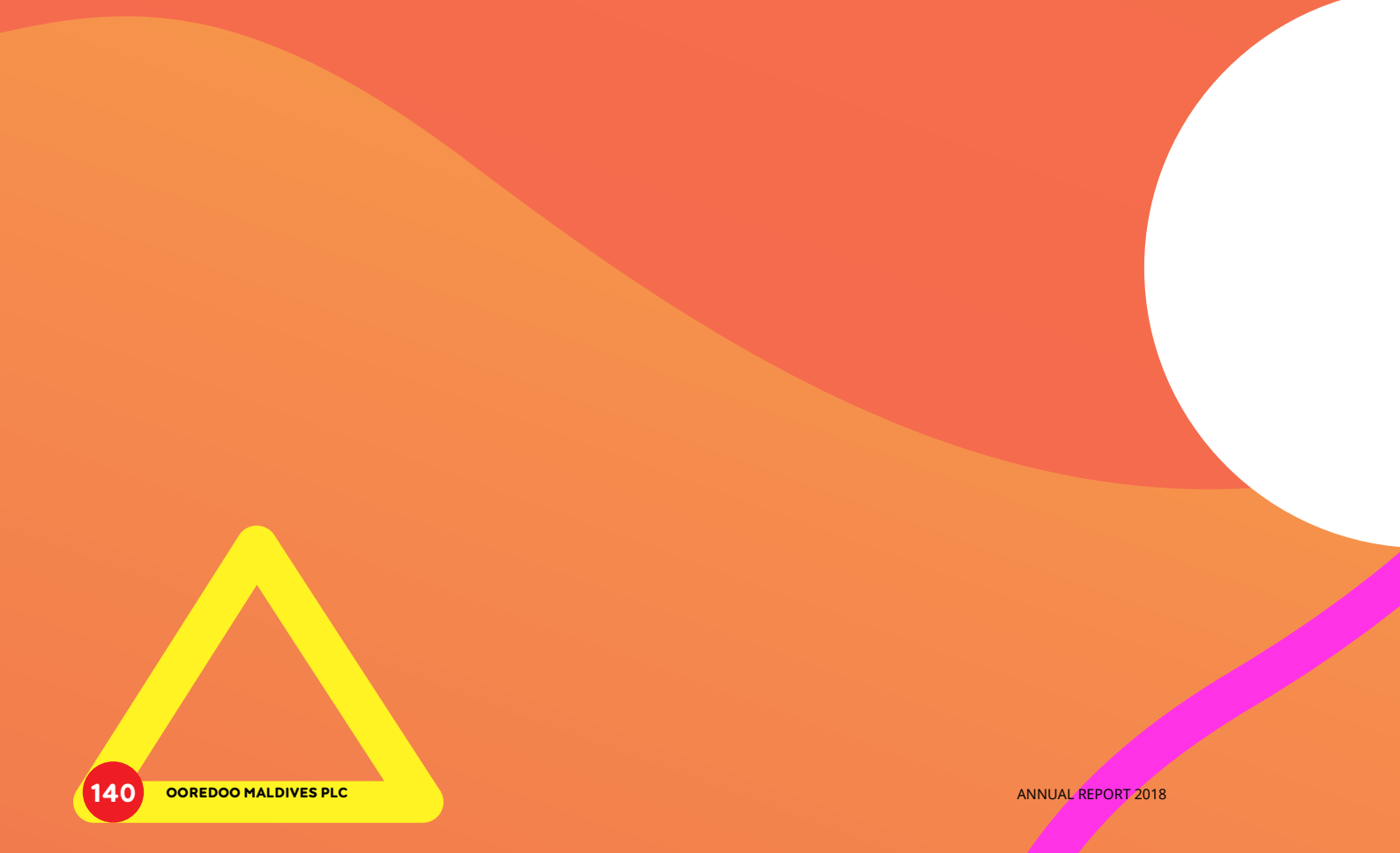
Credit risk measurement

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Credit quality assessments

The Group has mapped its internal credit rating scale to Moody's rating scale as at 31st December 2018.





ACKNOWLEDGEMENTS

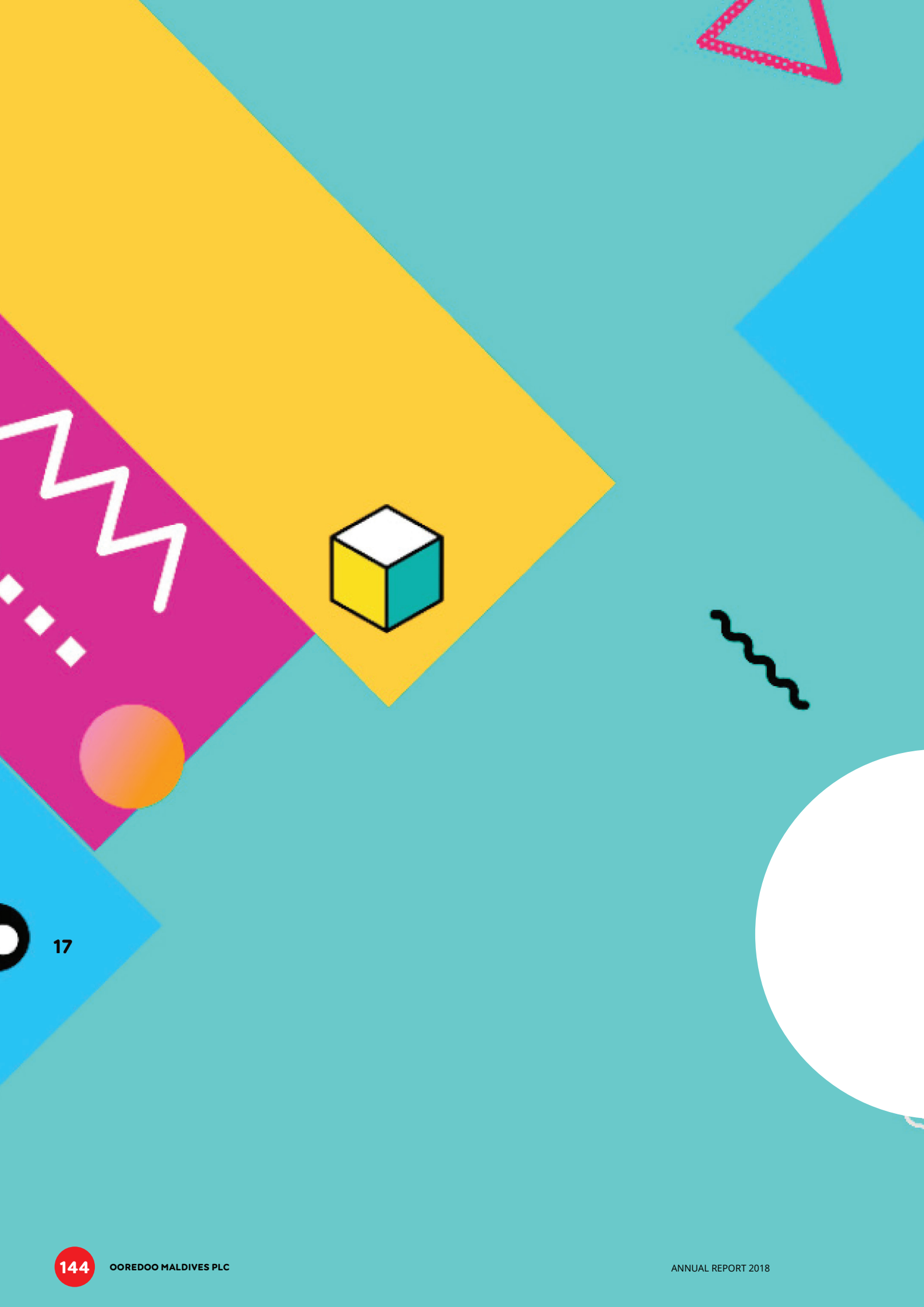
ACKNOWLEDGEMENTS

The Board of Directors of Ooredoo Maldives congratulate and thank our esteemed Shareholders for their continued support and confidence in our team, as we conclude a prosperous year.

The Directors are grateful to the customers, suppliers, bankers, legal advisors and auditors of the Company for their contribution towards our success.

Successively, the Directors greatly appreciate the hard work and dedication of the Management and accomplished employees of the Company, for their drive and resilience in achieving our goals.

The Company notes the assistance extended by the Ministry of Communication, Science and Technology, the Ministry of Economic Development, the Communications Authority of the Maldives, the Capital Market Development Authority, the Maldives Monetary Authority, the Maldives Stock Exchange, the Maldives Securities Depository and all government institutions for their support to Ooredoo Maldives in 2018 and throughout its time in the Maldives.





CORPORATE INFORMATION

NAME OF THE COMPANY

Ooredoo Maldives Public Limited Company

COMPANY REGISTRATION NUMBER

C- 0633/2004

LEGAL FORM OF THE COMPANY

A company incorporated in the Republic of Maldives on 7th December 2004, as Wataniya Telecom Maldives Private Limited, which then changed its name to Ooredoo Maldives Private Limited on 22nd December 2013, and subsequently converted to a public limited liability company on 6th October 2016.

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