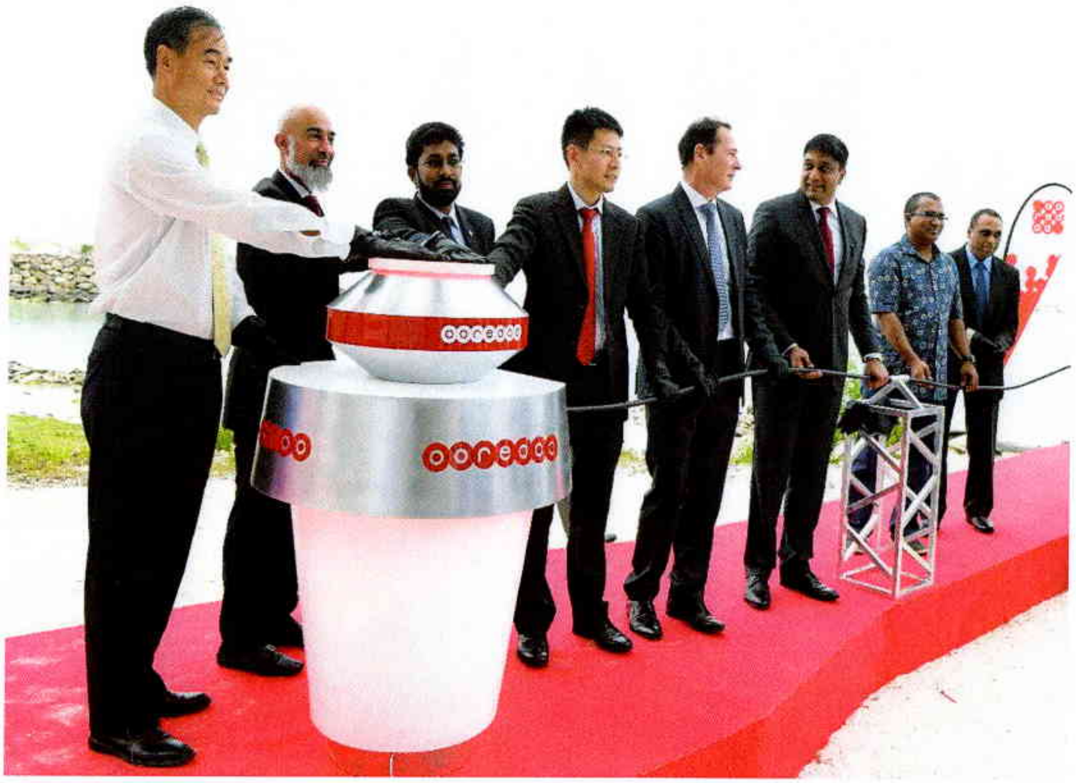
DIRECTOR'S REPORT - 2016



OOREDOO MALDIVES PUBLIC LIMITED COMPANY

CORPORATE INFORMATION

NAME OF THE COMPANY:	Ooredoo Maldives Plc
LEGAL FORM:	Public Company with Limited Liability Incorporated in the Republic of Maldives

BOARD OF DIRECTORS:

Mr. Khalid Ibrahim Al Mahmoud	Chairman and Managing Director
Mr. Ian Grant Fenton	Director
Mr. Haroon Shahul Hameed	Director
Mr. Salem Mohamed A.H. Al-Marri	Director
Dr. A.Hamid Mohd A Marafi	Director
Ms. Dheena Hussain	Director
Mr. Vikram Sinha	Director
Mr. Ramanathan Sivakumar	Director

REGISTERED OFFICE:	H. Sunleet, 5th floor, BoduthakufaanuMagu Male' Republic of Maldives.
COMPANY SECRETARY:	Ms. Dheena Hussain
AUDITORS	KPMG Chartered Accountants 2nd Floor, H. Mialani, Sosun Magu Male' 2033 Republic of Maldives

BANKERS:	1. Bank of Maldives (Plc) Boduthakurufaanu Magu Male' Republic of Maldives 2. HSBC Male, 1st Floor, MTCC Tower Building 24, Boduthakufaanu Magu, Male', Republic of Maldives 3. State Bank of India Male, Henveiru. Sunleet Building Boduthakufaanu Magu, Male', Republic of Maldives
LEGAL COUNSEL	Shah Hussain & Co. Barristers & Attorney 6th Floor, Henveiru. Aage' Boduthakurufaanu Magu, Male' 20094 Republic of Maldives

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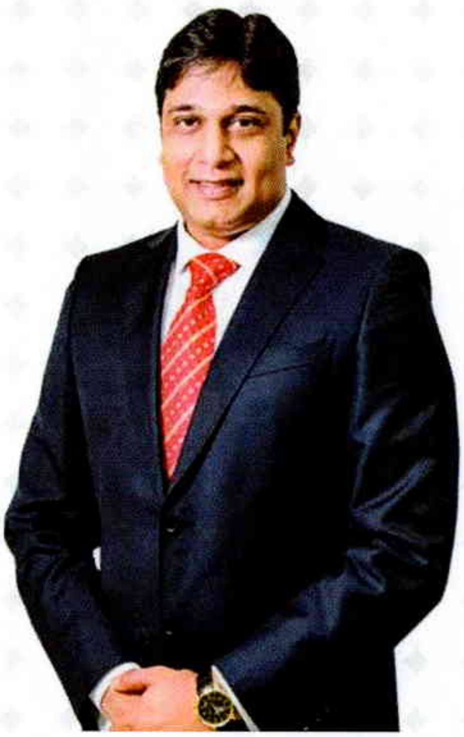
WELCOME REMARKS BY CEO



"In 2016, we took an important step in our journey as the Company got listed in the Maldives Stock Exchange as a public limited Company. It was a year of transformation, as we changed from a telecom service provider to a total ICT solution provider.

Important investments were made to strengthen our infrastructure by laying a nationwide submarine cable, expanding our 4G network to all islands of Maldives. We also ventured into new areas of expertise such as fixed broadband, mobile money services and smart solutions.

I am humbled to be part of this dynamic and highly engaged team that has brought new levels of innovation to the country, thus connecting local communities to life enriching opportunities for development."

WHO WE ARE

Ooredoo Maldives Plc ("Ooredoo Maldives"), a part of the Ooredoo Group, provides a wide range of innovative mobile, fixed and internet services tailored to the growing needs of today's consumers and businesses. Guided by its vision of enriching people's lives and its belief that it can stimulate human growth by leveraging communications to help people achieve their full potential, Ooredoo Maldives has transformed the telecommunications industry for the people of the Maldives.

Ooredoo Maldives was converted from a private shareholding company to a public shareholding company on 6th October 2016, and was listed on Maldives Stock Exchange on 13th October 2016. This change was aimed at providing opportunities for Community participation and contribution. Ooredoo Maldives plans to provide the opportunity for public to invest in the company through an IPO during the second quarter of 2017, where shares will be offered to the Maldivian public, institutions and foreign investors.

OUR MISSION

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

DIRECTORS' REPORT

The directors take pleasure in presenting the Annual Report together with the audited financial statements of the Company for the year ended 31st December 2016.

PRINCIPAL ACTIVITIES & BUSINESS REVIEW

Ooredoo Maldives Plc ("Ooredoo Maldives") is engaged in providing GSM Mobile Services to the Republic of Maldives. In the year 2015, Communication Authority of Maldives awarded Ooredoo with Internet Service Provider License to operate in Republic of Maldives.

HIGHLIGHTS OF 2016

KEY STRATEGIC INITIATIVES

2016 has been one of the transformational year for Ooredoo Maldives. As key highlights, Ooredoo Maldives was converted from a Private Company to a Public Listed Company. Providing opportunities for Community participation and contribution being a key focused area, Ooredoo Maldives plans to provide the opportunity for public to invest in the company through an IPO during the second quarter of 2017, where shares will be offered to the Maldivian public, institutions and foreign investors. In this regard, Ooredoo Maldives was converted from a private shareholding company to a public shareholding on 6th October 2016 and listed on Maldives Stock Exchange on 13th October 2016. One of the key milestone achieved was Ooredoo Maldives changing from a Mobile Operator to a Telecom Operator.

During the last 2 years, new licenses were secured by the Company which has contributed to the improved performance, includes the ISP License which was awarded in August 2015 and launched Fixed Broadband service in Maldives as 3rd operator on 15th May 2016 with the brand name of "SuperNet".

Mobile Number Portability project was successfully launched during March 2016, which allowed customers switch to another mobile operator while keeping their existing mobile number.

Mobile Money license was awarded in 2016 from the Central Bank (Monetary Authority of Maldives). The Mobile Money service was launched with the brand name "m-Faisaa" on 24th July 2016. Ooredoo Maldives is the first telecom operator to introduce this services in the country.

One of the biggest project in 2016 was Laying of Submarine cable Nationwide. The project is aimed to connect the country from North to South (approx. 1200 KM) to fulfill the mission of Digital Maldives. This initiative has strengthened Ooredoo Maldives network system and enabled to convert the country wide network to 4G+.

KEY PRODUCTS AND SERVICES

- Mobile Number Portability: allows the customer to retain his/her existing mobile number and change network service provider
- Voice Rate Cutter Packs & Free Mins packs: Voice add-ons that are subscription based that gives discounted local call rates and free minutes
- Postpaid Revamp & new Premium plans (1499, 1999): Premium Postpaid plans giving Unlimited benefits (Voice, SMS, Data)
- Postpaid Bill Control Plans: Fixed bill plans that provide same Postpaid plans benefits
- WorkGroup Special Plans – for corporate segments: Customized plans designed specifically for corporates
- IDD Special Mass Offer: MVR 0.69 to Bangladesh: A low rate of MVR 0.69 to call Bangladesh
- Prepaid Price Corrections: Pricing amendments brought to streamline pricing structure in prepaid product (simple unified rate to customers)
- Refer & Win promotion: Customer refers another customer to Ooredoo and getting extra data allowances and a chance to win 1 year rental free apartment
- CVM Special Segmented Offers (Voice & Data) : targeted offers to micro segments to uplift REC base, usage and revenues
- Ramadan offers
- SMS contest – Text and win prizes
- Revamp of RBT platform.
- Content portal launch with TIMWE
- Music App launch
- Revamp of Ooredoo data product portfolio
- Launch of integrated voice with data
- Whatsapp bundling with data pack (mini pack)
- FBB product launch

- Huawei device launch + contract offers
- Hungama App (Music) launching
- 25% data bonus on My Ooredoo App
- LTE bonus offer – up to 50% extra on data packs
- SMS & WIN Scrabble Contest (50,000 active users to date)
- Ooredoo has partnered with Gulf Craft to provide Ooredoo Locate for vessels - a solution that uses GPS technology to remotely track assets in real-time using smartphones, personal computers, or other Internet-enabled mobile devices. With this partnership, any new and existing Gulf Craft vessels will have the GPS-based tracking solution which will add value and convenience to the vessel owners.

NETWORK COVERAGE

We have concluded the year 2016 with a remarkable achievement. This year we made significant progress on our journey to modernize Radio Access Network, increase 3G coverage, improve data experience for our customers, rollout of nationwide 4G+ network and embark on the enterprise solution sector.

The RAN modernization was successfully completed by replacing Motorola equipment with Huawei single RAN in 47 islands. With the modernization project, 3G service was enhanced to support HSPA+ over G900, U900 and U2100 MHz frequency bands. To expand LTE coverage footprint, 24 LTE sites and 8 Easy Macro street level poles were deployed in Male, Hulhumale' and Villingilli, taking total physical LTE sites to 12 in 700MHz, 92 in 1800MHz and 42 in 2100MHz. LTE – Carrier aggregation was implemented in 9 sites in the Greater Male area with 20 +10 MHz bandwidth which enabled maximum download throughput of 225Mbps. LTE in 2100MHz band installation has been completed for the entire network and 300 sites were on-aired in December 2016 with completion of NASCOM project.

Under the project of coverage expansion, 18 new sites have been deployed which has allowed our coverage presence to reach 95% of Resort islands.

Network	Ooredoo
2G	99%
3G	99%
4G/LTE	99%

As part of our continued effort to provide differentiated data experience to our customers, additional street level sites were commissioned with activation of 5th carrier to relieve congestion on RAN. We deployed 8 sites with AAU antenna operating at 3G and LTE service. To achieve nationwide LTE coverage, 300 2G/3G sites were co-located with LTE2100 services.

TRANSPORT

Major successful projects were implemented and completed during 2016. The highlights of 2016 in this areas include:

- Microwave backbone sites were upgraded from TJMC4L to TJ1400. Tejas Mux Upgraded to provide higher bandwidth for Backbone Clusters.
- 32 PDH links were upgraded in the PDH Upgrade Project, to remove low capacity Microwave radios on transmission last mile.
- Hulhumale' to Male' Sub-Sea fiber BMH was relocated to a new location as a protection for the sub-sea cable, since exiting BMH location would be going under heavy construction. Also Huawei Packet Radio was installed during the BMH relocation to carry Male' traffic during BMH relocation.
- Transmission fiber network was expanded in Hulhumale' to support Hulhumale' Street Pole Project.
- MPLS router were installed in six of Male' Backbone sites to improve the quality, resiliency of Transmission network and also to provide more options for internal and external customers.
- NaSCOM fiber project is being carried out to provide high bandwidth to off-male' region areas and to remove bottlenecks in off Male' Transmission network. MPLS router was installed with the NaSCOM Project, at each Cable Landing Station, to improve overall Transmission backhaul.

CORE NETWORK

On the core network side, major enhancements were brought by implementing new projects as well as through modification of the current processes.

Highlights in this area:

- Gi capacity was increased from 3Gbps to 6Gbps.
- DT was implemented and MBSC2 IuPS upgraded from 2Gbps to 3Gbps.
- The ISP bandwidth was increased from 1650Mbps (11STM1s) to 3900Mbps (26STM1s) during 2016.
- Google caching capacity was increased from 2Gbps to 4Gbps.

- FBB service was launched in Male in partnership with Medianet and more than 4K users have been connected.
- MNP was introduced and we have more than 5K port-in from March to December 2016

INFORMATION TECHNOLOGY

In IT front, three major projects was deployed successfully to support new business streams;

- Mobile Number Portability - MNP was launched with in-house development on both Middleware communication and BSCS configuration.
- Mobile Money was deployed with merchant and utility integration.
- Alepo Billing Solution for SuperNet (Fixed Broadband ISP) was deployed to enable business to offer FBB services with the aligned processes and procedures with Medianet team.
- IT Product Configuration have successfully configured 221 different product in year 2016 to support business functions, with this 154 products was commercially launched.
- IT have successfully support enterprise solution to implement firewall bandwidth optimization for MNDF and implementation of firewall for other major corporates as well were completed timely.

CUSTOMER FOCUS INITIATIVES

On Customer centricity front, many projects were implemented successfully

- Launched the Loyalty program – Vedhun for the whole base where customers are able to collect points on expenditure and redeem points for in –house products and partner products.
- Opening of New OEC in Male' (Central Region) , Kulhudufushi (Northern Region)
- Shifted Directory Enquiry (120) to Kulhudufushi Call center
- Initiated corporate health check by Loyalty and Retention
- Kiosk was deployed in five locations.
- New payment method quick pay was introduced on MyOoredoo web.

- For business support new automation process was introduced in transaction reversal on Raastas portal for RA and Sales.

SPONSORSHIPS AND BRAND BUILDING INITIATIVES

Ooredoo Maldives has done number of brand building and sponsorship activities during the year 2016.

- Maldives Investment Forum
- Partner for World Travel Awards
- Coaching Clinic in Maldives, in partnership with PSG Academy.
- Miyaheli Innovation Camp with UNDP
- Platinum Partner for Women on Boards
- Communication Partner for Junior Chambers International
- Population Quiz, with UNFPA & National Statistics Bureau
- Stand for Good campaign, in partnership with Messi foundation.
- Main Sponsor of Maldives National e-Sports Team
- Telecom Partner for Raalhu Edhuru, Surf School
- Partner for Road Safety Campaign, with Health Protection Agency
- Telecom Partner for Katti Hivvaru Festival

SOCIAL RESPONSIBILITIES

Gender Equality

On 25th February 2016 at the Mobile World Congress in Barcelona, Ooredoo Maldives became one of the first GSMA operator members to endorse the Connected Women Commitment Initiative aimed at reducing the mobile gender gap. Together, these operators will seek to increase the proportion of their female customers using mobile internet and mobile financial services.

Ooredoo is also committed to supporting the United Nations Sustainable Development Goal to achieve gender equality and empower all women and girls. Some key areas that Ooredoo is already focusing on to reduce the mobile gender divide include; improving digital literacy among women and girls through educational programs and interactive content, strengthening gender diverse policies within the workplace to ensure equal opportunities to women and men, as well as engaging and supporting women and girls to contribute to and succeed in the technology field. In 2016, Ooredoo partnered with local NGO Women on Boards to empower the next generation women to fill top hierarchy positions at all levels of the Maldives by unleashing their economic power. Additionally, the company held programs to create awareness on internet safety, and coordinated a "Science and Technology" evening to create interest in STEM subjects among young girls and boys.

Infrastructure & Innovation

As part of our commitment to Digital Maldives, we are working towards connecting all communities to smart solutions which provide new opportunities for development. To facilitate these opportunities for all local communities, we invested in mega infrastructure and network upgrades including a nationwide submarine cable and expanded its 4G+ network across the country.

Under its Smart City umbrella, Ooredoo also introduced free Wi-Fi hangout areas across prime spots in the capital city including hospitals, ferry terminals, youth center, café's etc. The company also provided Ooredoo Smart Campus (its cloud based education solution powered by Microsoft in Education) to a local educational institute which provides free courses to students, allowing Maldives Polytechnic to expand the reach of their free education to all students across Maldives.

To foster innovative solutions, Ooredoo and UNDP partnered to host Miyaheli, the first Social Innovation Camp in Maldives. The camp supported new, alternative, and exciting ideas from youth to improve their communities for the better. The company also launched a Youth Ambassador Program, a development program that guides the next generation of entrepreneurs and industry leaders in achieving their full potential in a digital world.

Good Health:

Ooredoo celebrated its 11th anniversary by donating digital solutions for the disabled society. These solutions include 15 electronic wheelchairs for young children with disabilities, which allow for more comfort, enhanced mobility, and the opportunity to maximize their independence. Access to internet has the potential to connect communities to a world of knowledge, and exciting new opportunities for social and economic development. As such, Ooredoo partnered with Huawei to donate 500 USB Modem's, with a free internet plan for a year. With the assistance of the Sadaqat Foundation, the modems will be provided to humanitarian and non-profit agencies that require communication support.

Ooredoo continued to play a key role in promoting a healthy lifestyle across its communities in the Maldives. High impact initiatives include PSG coaching clinic and Fans Do Wonders campaign held under Ooredoo group's partnership with Paris Saint Germaine. Ooredoo Maldives was also the official sponsor for the largest football league in the Maldives, the Dhivehi Premier League by Football Association of Maldives.

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 remains committed to implement the disaster response initiative to ensure effective and predictable response during times of crisis:

Ooredoo 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 last year, the mecca crane collapse, the stampede in mina, and the power crisis in Thinadhoo.

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.

HUMAN RESOURCE DEVELOPMENT

Trainings has been planned and conducted for developing human resources at the Company. Four Senior Management team members were trained at the Creative Centre for Learning at Singapore to develop their leadership skills. In addition, twenty more Managers has been identified to participate in leadership development program at Indian Institute of Management, Kozhikode (India) which is planned to be held early 2017.

AWARDS AND RECOGNITION

Received the Ranlaari Award 2016, given by the government of Maldives to recognize compliant taxpayers who pay the highest amount of taxes to Maldives Inland Revenue Authority.

FINANCIAL REVIEW

Gross revenue for 2016 grew by 32% in comparison with year 2015. All revenue streams have contributed to the significant growth towards incremental revenue for the year 2016. Network costs and General administration expenses were kept under control. The Company made a profit of USD 31.86 million after tax during 2016, 86% more than that of profit made in 2015

SHARE INFORMATION

Share Capital

The authorized share capital of the company is comprising of 1,552,020,000 ordinary shares. During the year company has fully paid shares as follows.

Fully paid Share capital	**MRF**
1.478,004,010 Ordinary Shares of MVR 1/= each 1.478,004,010	
	============
	1,478,004,010
	============

The Year Ahead

In the year ahead, Ooredoo Maldives aims to become a full-fledged communications service provider with the launch and development of its FTTX services. With market leadership in close sight, Ooredoo Maldives will remain committed to its strategic priorities; a state of the art network experience, an innovative product portfolio, and a differentiated customer experience.

As the company moves towards becoming the first digital company in the country, Ooredoo will work to bring the benefits of digital to all corners of the Maldives. Continuing its key role in the social and economic development across local communities, special focus will be placed on achieving the development goals that Ooredoo Maldives has committed towards; Health, Gender Equality, Innovation and infrastructure, Quality Education and Climate Action.

Ooredoo will continue to work towards its goal of becoming the Employer of Choice in the Maldives, by guaranteeing a motivational atmosphere at work, which encourages employees to flourish.

Proposed Dividends

The Board of Directors of the Company have approved a pre-IPO dividend of US$ 26,358,697 (equivalent to MVR 406,451,103) for the financial year ending 31st December 2016. This amounts to a pay out of MVR 2.75 for each issued ordinary share with a dividend pay-out ratio of 85%.

Reserve

No reserves have been set aside for the financial year ended 31st December 2016.

Events Subsequent to the balance sheet date

No circumstances have been arisen since balance sheet date, which require adjustments or disclosure in the financial statements.

DIRECTORATE AND OTHER OFFICIALS OF THE COMPANY

During the year, there was one change in the officials of the company, part of the management team. Mr. Sanjay Vaghasia - Chief Technology Officer left the Company by end March 2016 and was replaced by Mr. M.S, Tanwar as Chief Technology Officer from July 2016 onwards.

MANAGEMENT TEAM

Mr. Vikram Sinha	Chief Executive Officer
Mr. Ramanathan Sivakumar	Chief Financial Officer
Mr. M.S. Tanwar	Chief Technology Officer
Mr. Balaji Srinivasan	Chief Commercial Officer
Mr. Mohamed Shahid	Director – HR & Admin
Ms. Gulnaz Mahir	Head of CRM

DIRECTORS DURING THE YEAR

The Board of Directors consists of the existing continuing Directors and 3 newly appointed Directors during the year 2016. Mr. Mohamed Saleh Al-Marri has resigned from the Directorship and replaced by Mr. Salem Mohamed A.H. Al-Marri on 31st January 2016.

As the company became Public Limited Company in October 2016, two Executive Directors were appointed, namely Mr. Vikram Sinha and Mr. Ramanathan Sivakumar effective from 6th October 2016 onwards.

Mr. Khalid Ibrahim Al Mahmoud	Chairman and Managing Director
Mr. Ian Grant Fenton	Director
Mr. Haroon Shahul Hameed	Director
Mr. Salem Mohamed A.H. Al-Marri	Director
Dr. A.Hamid Mohd A Marafi	Director
Ms. Dheena Hussain	Director
Mr. Vikram Sinha	Director
Mr. Ramanathan Sivakumar	Director

SHAREHOLDERS DURING THE YEAR

Name	Address	No of Shares
Wataniya International FZ-LLC	2nd Floor, Showtime Building, Dubai Media City, PO Box 500418 United Arab Emirates	1,478,003,999
Other individual Shareholders		11

By order of the Board

For and on behalf of Ooredoo Maldives Public Limited Company.

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FINANCIAL STATEMENTS

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER 2016

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

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

Tel : +960 3310 420
+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 2016 and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information set out in pages 5 to 37.

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 2016 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 2016 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 (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 opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

- **Revenue Recognition**

(Refer to the significant accounting policies in note 3.9 and note 6 of the consolidated and separate financial statements).

Description	How the matter was addressed in our audit
Given the complex nature due to involvement of different IT systems in capturing the revenue generated and the high volume of low value transactions captured by the billing systems of the Company, the revenue recognition process of the Company was considered as a matter that require our significant attention.	In this area, our audit procedures included, among others; - Testing of 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. - Detailed analysis of revenue and tested the timing of its recognition through focused substantive testing performed based on our industry knowledge.

- **Capitalization of Property, Plant and Equipment and Estimation of Useful Lives**

(Refer to the significant accounting policies in note 3.2, 12.1 and 12.2 of the consolidated and separate financial statements).

Description	How the matter was addressed in our audit
Network and other assets, especially on account of "Nationwide Submarine Cable Project" and "Phase 4 of the RAN modernizing project" are transferred to PPE from assets under construction when they are ready for intended use. The complex nature of the assets is such that judgment is required as to when that point is reached. Any late transfer of assets under construction may result in inappropriate classification in the consolidated and separate financial statements and understatement of depreciation.	In this area, our audit procedures included, among others; - Test of controls over the capitalization of the assets. - Detailed substantive procedures over the capitalization of the assets assessing; the nature of the expenses incurred by the Company to determine the ability to capitalize the expenses. - Test the stage of completion of the projects in contrast to technical evaluation made by external parties to determine whether the asset is available for the intended use.

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 of directors ("the Board") is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- 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 Company or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

11th February 2017
Male'

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company	
FOR THE YEAR ENDED 31ST DECEMBER 2016		**2016**	**2015**	**2016**	**2015**
	Note	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
Revenue	**6**	1,613,173	1,219,482	1,574,438	1,198,061
Other Income	**7**	1,350	1,828	3,786	4,264
Operating Expenses	**8**	(800,212)	(706,896)	(818,169)	(714,705)
Depreciation and Amortization		(228,002)	(202,757)	(215,322)	(190,474)
Results from Operating Activities		586,309	311,657	544,733	297,146
Finance Income	**9**	11,449	5,789	8,678	5,444
Finance Costs	**9**	(27,962)	(26,953)	(27,962)	(26,953)
Net Finance Costs		(16,513)	(21,164)	(19,284)	(21,509)
Profit Before Tax		569,796	290,493	525,449	275,637
Income Tax Expense	**10**	(78,460)	(26,753)	(71,855)	(24,488)
Profit for the Year		491,336	263,740	453,594	251,149
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		491,336	263,740	453,594	251,149
Total Comprehensive Income Attributable to:					
Owners of the Company		478,127	259,334	453,594	251,149
Non-Controlling Interest	**23**	13,209	4,406	-	-
Total Comprehensive Income for the Year		491,336	263,740	453,594	251,149
Basic and Diluted Earnings Per Share	**11**	**0.42**	**0.26**	**0.40**	**0.25**

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 10 to 37. The Report of the Independent Auditors is given on pages 1 to 4.

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2016	Note	Group 2016 MRf. "000"	Group 2015 MRf. "000"	Company 2016 MRf. "000"	Company 2015 MRf. "000"
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	1,070,777	926,480	1,056,932	923,640
Intangible Assets	13	124,992	134,728	66,050	63,997
Investment in Subsidiary	14	-	-	156,089	156,089
Deferred Tax Assets	10.3	17,905	9,972	11,717	-
Total Non-Current Assets		1,213,674	1,071,180	1,290,788	1,143,726
Current Assets					
Inventories	15	8,979	5,076	8,979	5,076
Trade and Other Receivables	16	304,580	190,858	298,724	188,286
Amount Due from Related Party	17	21,561	22,306	-	-
Investments	18	782,590	320,702	662,464	245,702
Cash and Cash Equivalents	19	263,319	363,817	253,027	348,830
Total Current Assets		1,381,029	902,759	1,223,194	787,894
Total Assets		2,594,703	1,973,939	2,513,982	1,931,620
EQUITY AND LIABILITIES					
Equity					
Share Capital	20	1,478,004	1,012,320	1,478,004	1,012,320
Reserve on Translation of Share Capital	21	144,180	144,180	144,180	144,180
Advance for Share Capital	22	-	465,684	-	465,684
Accumulated Losses		(705,609)	(1,183,736)	(703,094)	(1,156,688)
Total Equity Attributable to Equity Holders of the Parent		916,575	438,448	919,090	465,496
Non-Controlling Interest	23	82,663	69,454	-	-
Total Equity		999,238	507,902	919,090	465,496
LIABILITIES					
Non-Current Liabilities					
Loans and Borrowings	24.2	450,074	583,821	450,074	583,821
Provisions	25	18,158	-	18,158	-
Deferred Tax Liabilities	10.4	-	2,998	3,841	7,413
Total Non-Current Liabilities		468,232	586,819	472,073	591,234
Current Liabilities					
Loans and Borrowings	24.3	93,639	111,422	93,639	111,422
Amounts Due to Related Parties	26	527,212	496,226	528,685	496,623
Trade and Other Payables	27	419,555	265,592	415,915	260,867
Income Tax Payable		86,827	5,978	84,580	5,978
Total Current Liabilities		1,127,233	879,218	1,122,819	874,890
Total Liabilities		1,595,465	1,466,037	1,594,892	1,466,124
Total Equity and Liabilities		2,594,703	1,973,939	2,513,982	1,931,620

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 10 to 37. The Report of the Independent Auditors is given on pages 1 to 4.

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

Name of the Director	Signature
A. Hamid Mohd A Marafi	
Ian Grant Fenton	

11th February 2017

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2016

GROUP	**Attributable to the Owners of the Company**					**Non-Controlling Interest**	**Total Equity**
	Share Capital	**Reserve on Translation of Share Capital**	**Advance for Share Capital**	**Accumulated Losses**	**Total**		
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
As at 1st January 2015	1,012,320	144,180	465,684	(1,443,070)	179,114	65,048	244,162
Comprehensive Income for the Year							
Profit for the Year	-	-	-	259,334	259,334	4,406	263,740
Other Comprehensive Income for the Year	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	259,334	259,334	4,406	263,740
As at 31st December 2015	1,012,320	144,180	465,684	(1,183,736)	438,448	69,454	507,902
As at 1st January 2016	1,012,320	144,180	465,684	(1,183,736)	438,448	69,454	507,902
Comprehensive Income for the Year							
Profit for the Year	-	-	-	478,127	478,127	13,209	491,336
Other Comprehensive Income for the Year	-	-	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	478,127	478,127	13,209	491,336
Transactions with Owners Directly Recorded in Equity							
Advance for Share Capital Transferred to Share Capital During the Year **(Note 22)**	465,684	-	(465,684)	-	-	-	-
Total Transactions with Owners Directly Recorded in Equity	465,684	-	(465,684)	-	-	-	-
As at 31st December 2016	1,478,004	144,180	-	(705,609)	916,575	82,663	999,238

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 10 to 37. The Report of the Independent Auditors is given on pages 1 to 4.

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2016

COMPANY	**Share Capital**	**Reserve on Translation of Share Capital**	**Advance for Share Capital**	**Accumulated Losses**	**Total Equity**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
As at 1st January 2015	1,012,320	144,180	465,684	(1,407,837)	214,347
Comprehensive Income for the Year					
Profit for the Year	-	-	-	251,149	251,149
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	251,149	251,149
As at 31st December 2015	1,012,320	144,180	465,684	(1,156,688)	465,496
As at 1st January 2016	1,012,320	144,180	465,684	(1,156,688)	465,496
Comprehensive Income for the Year					
Profit for the Year	-	-	-	453,594	453,594
Other Comprehensive Income for the Year	-	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	453,594	453,594
Transactions with Owners Directly Recorded in Equity					
Advance for Share Capital Transferred to Share Capital During the Year **(Note 22)**	465,684	-	(465,684)	-	-
Total Transactions with Owners Directly Recorded in Equity	465,684	-	(465,684)	-	-
As at 31st December 2016	1,478,004	144,180	-	(703,094)	919,090

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 10 to 37. The Report of the Independent Auditors is given on pages 1 to 4.

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

		Group		Company	
FOR THE YEAR ENDED 31ST DECEMBER 2016		**2016**	**2015**	**2016**	**2015**
	Note	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
Cash Flows from Operating Activities					
Profit Before Tax		569,796	290,493	525,449	275,637
Adjustments for:					
Depreciation on Property, Plant and Equipment	**12**	193,129	166,517	192,238	166,022
Amortization of Intangible Assets	**13**	34,873	36,240	23,084	24,452
Gain on Sale of Property, Plant and Equipment	**7**	(360)	(1,620)	(360)	(1,620)
Provision for Obsolete Inventories	**8**	64	152	64	152
Written-off of Impairment Provision on Obsolete Inventory	**15.1**	(328)	-	(328)	-
Provision for Impairment Loss on Trade Receivables	**8**	8,635	7,865	8,635	7,864
Interest Expense	**9**	27,962	26,953	27,962	26,953
Operating Profit Before Working Capital Changes		833,771	526,600	776,744	499,460
Working Capital Changes					
Change in Inventories		(3,639)	1,433	(3,639)	1,433
Change in Trade and Other Receivables		(122,357)	1,488	(119,073)	3,931
Change in Amount Due from Related Party		745	4,626	-	2,768
Change in Amounts Due to Related Parties		3,024	(29,132)	4,100	(28,735)
Change in Trade and Other Payables		154,350	(19,105)	155,435	(21,598)
Cash from Operating Activities		865,894	485,910	813,567	457,259
Interest Paid		(387)	(382)	(387)	(382)
Tax Paid		(8,542)	-	(8,542)	-
Net Cash from Operating Activities		856,965	485,528	804,638	456,877
Cash Flows from Investing Activities					
Purchase and Construction of Property, Plant and Equipment	**12**	(319,268)	(227,523)	(307,372)	(227,523)
Acquisition of Intangible Assets	**13**	(25,137)	(19,212)	(25,137)	(19,212)
Net movement in Investments	**18**	(461,888)	(123,183)	(416,762)	(48,183)
Proceeds on Disposal of Property, Plant and Equipment		360	1,620	360	1,620
Net Cash Used in Investing Activities		(805,933)	(368,298)	(748,911)	(293,298)
Cash Flows from Financing Activities					
Net movement in Loans and Borrowings	**24**	(151,530)	46,251	(151,530)	46,251
Net Cash (Used in)/ from Financing Activities		(151,530)	46,251	(151,530)	46,251
Net (Decrease)/ Increase in Cash and Cash Equivalents		(100,498)	163,481	(95,803)	209,830
Cash and Cash Equivalents at Beginning of the Year		363,817	200,336	348,830	139,000
Cash and Cash Equivalents at End of the Year	**19**	263,319	363,817	253,027	348,830

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 10 to 37. The Report of the Independent Auditors is given on pages 1 to 4.

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 2016 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.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of Estimates and Judgements (Continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements is included in the respective notes.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments

(i) Financial Assets (Non-derivative)

The Group initially recognises 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.

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.

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.

(ii) Financial liabilities (non-derivative)

The Group initially recognises 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Financial Instruments (Continued)

(ii) Financial liabilities (non-derivative) (Continued)

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.

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property, Plant and Equipment (Continued)

(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:

Leasehold Improvement	Over 5 Years
Network Equipments	Over 8 Years
Network Infrastructure Equipments	Over 14 Years
Office and Computer Equipments	Over 3 to 5 Years
Furniture and Fixtures	Over 5 Years
Power/ Tool and Equipments	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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Intangible Assets (Continued)

(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 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.

3.5 Impairment

(i) Financial Assets (including receivables)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Impairment (Continued)

(ii) Non-financial Assets (Continued)

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.

3.6 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.

3.7 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.

3.8 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 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 recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, 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 recognised as a reduction of revenue as the sales are recognised. 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 recognised as the services are provided. Revenue from service contracts that cover periods of greater than 12 months is recognised in the profit and loss in proportion to the services delivered at the reporting date. In respect of services invoiced in advance, amounts are deferred until provision of the service.

Amounts payable by and to other telecommunications operators are recognised 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 interconnect 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.

The Company recognises 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 recognised evenly over the periods in which the service is provided.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 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.

3.11 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.

3.12 Finance Income and Finance Costs

Finance income comprises interest on fixed deposits.

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.

4. DETERMINATION OF FAIR VALUES (CONTINUED)

(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

5.1 New Standards and Interpretations not yet Adopted by the Group

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st January 2017. The Group is currently in the process of evaluating the potential impact these standards and interpretation may have on the Group's Consolidated and Separate financial statements.

- IFRS 16 – Leases.
- IFRS 15 – Revenue from contracts with customers.
- IFRS 9 – Financial Instruments.

6 REVENUE

	Group		Company	
	2016	2015	2016	2015
	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"
Mobile Telephony	1,506,226	1,176,780	1,506,226	1,176,780
Handsets and Accessories Sales	12,341	5,951	12,341	5,951
Broad Band and Other Rental Income	55,871	15,330	55,871	15,330
Capacity Rights	38,735	21,421	-	-
	1,613,173	1,219,482	1,574,438	1,198,061

7 OTHER INCOME

	Group		Company	
	2016	2015	2016	2015
	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"
Management Fee	-	-	2,436	2,436
Gain on Sale of Property, Plant and Equipment	360	1,620	360	1,620
Other Income	990	208	990	208
	1,350	1,828	3,786	4,264

8 OPERATING EXPENSES

	Group		Company	
	2016	2015	2016	2015
	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"
Direct Cost of Services	489,957	413,605	508,110	421,544
Personnel Costs **(Note 8.1)**	140,692	135,903	140,692	135,903
Management Fees	44,039	38,618	44,039	32,627
Provision for Obsolete Inventories	64	152	64	152
Provision for Impairment of Trade Receivables	8,635	7,864	8,635	7,864
Marketing Expenses	54,648	56,380	54,648	56,380
Repair and Maintenance Costs	19,408	20,282	19,408	20,282
Operating Lease Rent	3,898	3,984	3,898	3,984
Royalty Expense	15,742	5,990	15,742	5,990
Professional Fees	7,747	6,202	7,735	6,202
Other Operating Costs	15,382	17,916	15,198	23,777
	800,212	706,896	818,169	714,705

8.1 Personnel Costs

	Group		Company	
	2016	2015	2016	2015
	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"
Salaries and Wages	82,302	70,908	82,302	70,908
Pension Fund Contribution	2,806	2,539	2,806	2,539
Other Staff Costs	55,584	62,456	55,584	62,456
	140,692	135,903	140,692	135,903

9 NET FINANCE COSTS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
Finance Income				
Interest Income	11,449	5,789	8,678	5,444
Finance Costs				
Interest Expenses	(27,962)	(26,953)	(27,962)	(26,953)
Net Finance Costs	(16,513)	(21,164)	(19,284)	(21,509)

10 INCOME TAX EXPENSE

	Group		Company	
	2016	**2015**	**2016**	**2015**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
Current Tax Expense **(Note 10.1)**	89,674	5,978	87,427	5,978
Over Provision in Respect of Previous Year	(283)	-	(283)	-
(Recognition)/ Reversal of Deferred Tax Asset **(Note 10.3)**	(7,933)	38,380	(11,717)	34,521
Reversal of Deferred Tax Liability **(Note 10.4)**	(2,998)	(17,605)	(3,572)	(16,011)
	78,460	26,753	71,855	24,488

10.1 Reconciliation Between Accounting Profit and Taxable Profit:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
Accounting Profit Before Tax	569,796	290,493	525,449	275,637
Aggregate Disallowable Items	267,863	250,430	255,183	238,147
Aggregate Allowable Items	(225,543)	(269,425)	(197,535)	(242,603)
Utilisation of Tax Loss	(13,790)	(231,392)	-	(231,075)
Tax Free Allowance	(500)	(250)	(250)	(250)
Total Taxable Profit	597,826	39,856	582,847	39,856
Income Tax @ 15%	89,674	5,978	87,427	5,978

In accordance with the provisions of the Business Profit Tax Act No. 5 of 2011, relevant regulations and subsequent amendments thereto, the Company is liable for income tax on its taxable profits at the rate of 15%.

10.2 Accumulated Tax Losses

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
As at 1st January	13,764	244,221	-	230,140
Utilised During the Year	(13,790)	(231,392)	-	(231,075)
Adjustment to Prior Year Tax Loss	26	935	-	935
As at 31st December	-	13,764	-	-

10.3 Deferred Tax Assets

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
	MRf. "000"	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
As at 1st January	9,972	48,352	-	34,521
Recognized/ (Reversed) during the Year	7,933	(38,380)	11,717	(34,521)
As at 31st December	17,905	9,972	11,717	-

10 TAX EXPENSE (CONTINUED)

10.3 Deferred Tax Assets (Continued)

Deferred Tax Assets are attributable to the following;

	Group		Company	
	31/12/2016		31/12/2016	
	Temporary Difference MRf. "000"	Tax Effect MRf. "000"	Temporary Difference MRf. "000"	Tax Effect MRf. "000"
Property, Plant and Equipment	57,328	8,599	59,955	8,993
Intangible Assets	43,881	6,582	-	-
Provisions	18,158	2,724	18,158	2,724
	119,367	17,905	78,113	11,717

Deferred Tax Assets are attributable to the following;

	Group		Company	
	31/12/2015		31/12/2015	
	Temporary Difference MRf. "000"	Tax Effect MRf. "000"	Temporary Difference MRf. "000"	Tax Effect MRf. "000"
Intangible Assets	52,716	7,907	-	-
Accumulated Tax Losses	13,764	2,065	-	-
	66,480	9,972	-	-

10.4 Deferred Tax Liabilities

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	2,998	20,603	7,413	23,424
Reversal for the Year	(2,998)	(17,605)	(3,572)	(16,011)
As at 31st December	-	2,998	3,841	7,413

Deferred Tax Liabilities are attributable to the following;

	Group		Company	
	31/12/2016		31/12/2016	
	Temporary Difference MRf. "000"	Tax Effect MRf. "000"	Temporary Difference MRf. "000"	Tax Effect MRf. "000"
Intangible Assets	-	-	25,607	3,841
	-	-	25,607	3,841

Deferred Tax Liabilities are attributable to the following;

	Group		Company	
	31/12/2015		31/12/2015	
	Temporary Difference MRf. "000"	Tax Effect MRf. "000"	Temporary Difference MRf. "000"	Tax Effect MRf. "000"
Property, Plant and Equipment	19,985	2,998	18,739	2,811
Intangible Assets	-	-	30,679	4,602
	19,985	2,998	49,418	7,413

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	
	2016	2015	2016	2015
Profit for the Year Attributable to Shareholders (MRf. "000")	478,127	259,334	453,594	251,149
Weighted Average Number of Ordinary Shares in Issue	1,128,741	1,012,320	1,128,741	1,012,320
Basic and Diluted Earnings Per Shares (MRf. "000")	0.42	0.26	0.40	0.25

OOREDOO MALDIVES PLC
(PREVIOUSLY KNOWN AS OOREDOO MALDIVES PRIVATE LIMITED)
(INCORPORATED IN THE REPUBLIC OF MALDIVES)
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2016

12 PROPERTY, PLANT AND EQUIPMENT

12.1 Group

	Leasehold Improvements MRf. "000"	Network Equipments MRf. "000"	Network Infrastructure Equipments MRf. "000"	Office and Computer Equipments MRf. "000"	Furniture and Fixtures MRf. "000"	Power/ Tool and Equipments MRf. "000"	Vessels and Motor Vehicles MRf. "000"	Capital Work In Progress MRf. "000"	Total 2016 MRf. "000"	Total 2015 MRf. "000"
Cost										
As at 1st January	28,459	1,409,055	554,365	51,107	13,845	168,613	13,216	86,527	2,325,187	2,097,817
Additions During the Year	-	-	-	-	-	-	-	319,268	319,268	227,523
Transferred from Capital Work In Progress	1,054	136,880	159,241	5,247	897	3,316	1,479	(308,114)	-	-
Recognition of Asset Retirement Obligation	-	-	18,158	-	-	-	-	-	18,158	-
Written off During the Year	-	(305,409)	-	-	-	-	-	-	(305,409)	-
Disposals During the Year	-	-	-	-	-	(5)	(817)	-	(822)	(153)
As at 31st December	29,513	1,240,526	731,764	56,354	14,742	171,924	13,878	97,681	2,356,382	2,325,187
Accumulated Depreciation										
As at 1st January	26,105	851,812	335,163	44,553	10,337	121,699	9,038	-	1,398,707	1,232,343
Charge for the Year	1,176	128,048	42,696	4,401	1,394	13,948	1,466	-	193,129	166,517
Written off During the Year	-	(305,409)	-	-	-	-	-	-	(305,409)	-
Disposals During the Year	-	-	-	-	-	(5)	(817)	-	(822)	(153)
As at 31st December	27,281	674,451	377,859	48,954	11,731	135,642	9,687	-	1,285,605	1,398,707
Net Carrying Values										
As at 31st December 2016	2,232	566,075	353,905	7,400	3,011	36,282	4,191	97,681	1,070,777	
As at 31st December 2015	2,354	557,243	219,202	6,554	3,508	46,914	4,178	86,527		926,480

12.1.1 The Capital work in progress mainly includes the amount incurred in respect of the RAN modernisation project and network upgrade project. The total estimated project cost amounts to MRf. 20,880,237/- and MRf. 19,547,456/- respectively, as at 31st December 2016 (2015: MRf. 31,811,953/-).

12.1.2 Group has capitalized the borrowing costs related to the acquisition and construction of Network Equipments and Network Infrastructure equipments amount of MRf. 9,367,850/- (2015: MRf. 14,175,267/-).

12.1.3 Network equipments purchased during the initial phase of the Network construction at a cost of MRf. 305,409,229/- which has reached end of life were removed as part of the upgrading to SINGLE RAN (RAN Modernization) project, the project was a turnkey project to swap the equipments. The old legacy equipments at a cost MRf. 305,409,229/- together with accumulated depreciation was removed from the books during the year ended 31st December 2016 on completion of RAN modernization Phase 4.

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.2 Company

	Leasehold Improvements MRf. "000"	Network Equipments MRf. "000"	Network Infrastructure Equipment MRf. "000"	Office and Computer Equipments MRf. "000"	Furniture and Fixtures MRf. "000"	Power/ Tool and Equipments MRf. "000"	Vessels and Motor Vehicles MRf. "000"	Capital Work In Progress MRf. "000"	Total 2016 MRf. "000"	Total 2015 MRf. "000"
Cost										
As at 1st January	28,459	1,409,055	548,641	51,107	13,845	163,124	13,216	86,527	2,313,974	2,086,604
Additions During the Year	-	-	-	-	-	-	-	307,372	307,372	227,523
Transferred from Capital Work In Progress	1,054	136,880	147,345	5,247	897	3,316	1,479	(296,218)	-	-
Recognition of Asset Retirement Obligation	-	-	18,158	-	-	-	-	-	18,158	-
Written off During the Year	-	(305,409)	-	-	-	-	-	-	(305,409)	-
Disposals During the Year	-	-	-	-	-	(5)	(817)	-	(822)	(153)
As at 31st December	29,513	1,240,526	714,144	56,354	14,742	166,435	13,878	97,681	2,333,273	2,313,974
Accumulated Depreciation										
As at 1st January	26,105	851,812	331,728	44,553	10,337	116,761	9,038	-	1,390,334	1,224,465
Charge for the Year	1,176	128,048	41,918	4,401	1,394	13,835	1,466	-	192,238	166,022
Written off During the Year	-	(305,409)	-	-	-	-	-	-	(305,409)	-
Disposals During the Year	-	-	-	-	-	(5)	(817)	-	(822)	(153)
As at 31st December	27,281	674,451	373,646	48,954	11,731	130,591	9,687	-	1,276,341	1,390,334
Net Carrying Values										
As at 31st December 2016	2,232	566,075	340,498	7,400	3,011	35,844	4,191	97,681	1,056,932	
As at 31st December 2015	2,354	557,243	216,913	6,554	3,508	46,363	4,178	86,527		923,640

12.2.1 The Capital work in progress mainly includes the amount incurred in respect of the RAN modernisation project and network upgrade project. The total estimated project cost amounts to MRf. 20,880,237/- and MRf. 19,547,456/- respectively, as at 31st December 2016 (2015: MRf. 31,811,953/-).

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 MRf. 9,367,850/- (2015: MRf. 14,175,267/-).

12.2.3 Network equipments purchased during the initial phase of the Network construction at a cost of MRf. 305,409,229/- which has reached end of life were removed as part of the upgrading to SINGLE RAN (RAN Modernization) project, the project was a turnkey project to swap the equipments. The old legacy equipments at a cost MRf. 305,409,229/- together with accumulated depreciation was removed from the books during the year ended 31st December 2016 on completion of RAN modernization Phase 4.

FOR THE YEAR ENDED 31ST DECEMBER 2016

13	**INTANGIBLE ASSET**	**License Fee**	**IT Software**	**Capacity Right**	**Capital Work In Progress**	**Total 2016**	**Total 2015**
13.1	**Group**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**	**MRf. "000"**
	Cost						
	As at 1st January	15,420	209,472	385,500	3,222	613,614	598,496
	Additions During the Year	-	-	-	25,137	25,137	19,212
	Transferred from Capital Work in Progress	-	16,743	-	(16,743)	-	-
	Disposals During the Year	-	-	-	-	-	(4,094)
	As at 31st December	15,420	226,215	385,500	11,616	638,751	613,614
	Accumulated Amortization and Impairment						
	As at 1st January	11,078	153,039	314,769	-	478,886	446,740
	Amortization for the Year	1,063	22,021	11,789	-	34,873	36,240
	Disposals During the Year	-	-	-	-	-	(4,094)
	As at 31st December	12,141	175,060	326,558	-	513,759	478,886
	Net Carrying Values						
	As at 31st December 2016	3,279	51,155	58,942	11,616	124,992	
	As at 31st December 2015	4,342	56,433	70,731	3,222		134,728

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.

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 campaign and loyalty management software, enterprise date warehouse and CBiO configuration.

13 INTANGIBLE ASSET (CONTINUED)

13.2 Company

	License Fee	IT Software	Capital Work In Progress	Total 2016	Total 2015
	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"	MRf. "000"
Cost					
As at 1st January	15,420	209,472	3,222	228,114	212,996
Additions During the Year	-	-	25,137	25,137	19,212
Transferred from Capital Work in Progress	-	16,743	(16,743)	-	-
Disposals During the Year	-	-	-	-	(4,094)
As at 31st December	15,420	226,215	11,616	253,251	228,114
Accumulated Amortization					
As at 1st January	11,078	153,039	-	164,117	143,759
Amortization for the Year	1,063	22,021	-	23,084	24,452
Disposals During the Year	-	-	-	-	(4,094)
As at 31st December	12,141	175,060	-	187,201	164,117
Net Carrying Values					
As at 31st December 2016	3,279	51,155	11,616	66,050	
As at 31st December 2015	4,342	56,433	3,222		63,997

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 campaign and loyalty management software, enterprise date warehouse and CBiO configuration.

14 INVESTMENT IN SUBSIDIARY

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
WARF Telecom International Private Limited	-	-	255,587	255,587
Impairment of Investment	-	-	(99,498)	(99,498)
	-	-	156,089	156,089

During 2010, due to continued losses made by its subsidiary WARF Telecom International Private Limited, the Company tested its investment in subsidiary for impairment and recognized an impairment loss of MRf. 99,497,982/- with respect to its investment in subsidiary. The impairment test was carried out based on a valuation performed based on projected cash flows as per its revised business forecast. The Company assesses the adequacy of the impairment provision on each reporting date based on projected future cash flows of its subsidiary. Accordingly no provision or reversal has been effected since initial recognition of impairment.

15 INVENTORIES

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Cost of Inventories	11,920	8,281	11,920	8,281
Less: Provision for Obsolete Inventories **(Note 15.1)**	(2,941)	(3,205)	(2,941)	(3,205)
	8,979	5,076	8,979	5,076

15.1 Provision for Obsolete Inventories

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	3,205	3,053	3,205	3,053
Provision made During the Year	64	152	64	152
Write back During the Year	(328)	-	(328)	-
As at 31st December	2,941	3,205	2,941	3,205

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Trade and Billing Receivables	322,702	215,916	318,975	215,571
Advances and Prepayments	16,666	6,024	16,635	6,024
Refundable Deposits	3,694	3,509	3,587	3,402
Advances Paid to Contract Services	2,889	2,889	2,749	2,749
Other Receivables	21,498	16,754	19,507	14,634
	367,449	245,092	361,453	242,380
Less: Provision for Impairment of Trade Receivables **(Note 16.1)**	(62,869)	(54,234)	(62,729)	(54,094)
	304,580	190,858	298,724	188,286

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

16.1 Provision for Impairment on Trade Receivables

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	54,234	46,369	54,094	46,230
Provision made During the Year	8,635	7,865	8,635	7,864
As at 31st December	62,869	54,234	62,729	54,094

17 AMOUNT DUE FROM RELATED PARTY

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Focus Infocom Private Limited	21,561	22,306	-	-

18 INVESTMENTS

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Investments in Fixed Deposits	782,590	320,702	662,464	245,702

Investments in fixed deposits are classified as Loans and Receivables and measured at amortized cost. Range of the interest rate of the deposits are from 1.75% to 4% per annum and mature within one year.

19 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Cash in Hand	821	247	821	247
Balances with Banks	262,498	363,570	252,206	348,583
	263,319	363,817	253,027	348,830

20 SHARE CAPITAL

20.1 Authorized

Authorized share capital comprises of 1,552,020,000 (2015: 1,552,020,000) ordinary shares. All shares are at par value of MRf. 1/-.

20.2 Issued Share Capital

Issued share capital comprises of 1,478,004,010 (2015: 1,012,320,000) ordinary shares. All shares are at par value of MRf. 1/-.

20.3 Fully Paid Share Capital

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	1,012,320	1,012,320	1,012,320	1,012,320
Transferred from Advance for Share Capital **(Note 22.1)**	465,684	-	465,684	-
As at 31st December	1,478,004	1,012,320	1,478,004	1,012,320

20.4 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.

No dividend have been declared by the board of directors for the year ended 31st December 2016 (2015: Nil).

21 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 (MRf.) 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.

22 ADVANCE FOR SHARE CAPITAL

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	465,684	465,684	465,684	465,684
Transferred to Share Capital	(465,684)	-	(465,684)	-
As at 31st December	-	465,684	-	465,684

22.1 Based on the resolution dated 22nd April 2014 the Board of Directors of the Group/ Company has decided to transfer the loan amount of MRf. 465,684,000/- received from National Mobile Telecommunication Co. to equity and issue shares to Wataniya International Fz-LLC to the extent of such equity. Consequently, the loan was converted to advance for share capital in 2014. During the year ended 31st December 2016, the Board of Directors decided to issue shares against this advance.

23 NON-CONTROLLING INTEREST

	Group	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	69,454	65,048
Net Result of the Subsidiary	13,209	4,406
As at 31st December	82,663	69,454

The Following summaries 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,

	2016 MRf. "000"	2015 MRf. "000"
Non-Controlling Interest %	35%	35%
Non-Current Assets	83,211	88,146
Current Assets	159,308	115,261
Non-Current Liabilities	(394)	(187)
Current Liabilities	(5,887)	4,725
Net Assets	236,238	207,945
Net Assets Attributable to NCI	82,683	72,781
Revenue	83,391	51,532
Profit After Tax	37,742	12,592
Total Comprehensive Income	37,742	12,592
Profit Related to NCI	13,210	4,407
Net Cash from Operating Activities	51,201	28,651
Net Cash Used in Investing Activities	(55,896)	(75,000)
Net Decrease in Cash and Cash Equivalents	(4,695)	(46,349)

24 LOANS AND BORROWINGS

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
As at 1st January	695,243	648,992	695,243	648,992
Borrowings During the Year	77,100	200,460	77,100	200,460
Repayments During the Year	(228,630)	(154,209)	(228,630)	(154,209)
As at 31st December	543,713	695,243	543,713	695,243

24.1 Sources of Finance

Term Loan I	-	4,112	-	4,112
Term Loan II	-	30,840	-	30,840
Term Loan III **(Note 24.4)**	86,523	133,640	86,523	133,640
Term Loan IV **(Note 24.5)**	26,284	-	26,284	-
Demand Loan I	-	1,927	-	1,927
Demand Loan II **(Note 24.6)**	3,834	20,552	3,834	20,552
Demand Loan III **(Note 24.7)**	23,130	-	23,130	-
Demand Loan IV	-	7,710	-	7,710
Wataniya International Fz-LLC **(Note 24.8)**	403,942	496,462	403,942	496,462
	543,713	695,243	543,713	695,243

24.2 Non - Current Liabilities

Non - Current Liabilities	450,074	583,821	450,074	583,821
Repayment of non-current liabilities schedule is as follows:				
More than one year, less than two years	403,942	552,981	403,942	552,981
More than two years, less than three years	46,132	30,840	46,132	30,840
	450,074	583,821	450,074	583,821

24.3 Current Liabilities

Current Liabilities	93,639	111,422	93,639	111,422

24.4 Term Loan III

The Company has obtained a term loan facility of US$ 10,000,000/- out of which the Company has obtained US$ 6,000,000/- as at 30th June 2015 and US$ 4,000,000/- as at 30th September 2015 at an interest rate of 1 month US$ LIBOR + 4.6% per annum. This loan capital is repayable within 36 equal monthly installments of US$ 277,778/- each (1 US$ = MRf. 15.42). The facility is secured by a fixed deposit amounting to MRf. 102,097,539/- in the name of the Company.

24.5 Term Loan IV

In accordance with the loan agreement dated 7th June 2016, the Company has obtained the term loan facility amounting to US$ 2,000,000/- 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/- each (1 US$ = MRf. 15.42). The facility is secured by a current account deposit amounting to MRf. 32,854,748/- in the name of the Company.

24.6 Demand Loan II

A demand loan facility amounting to US$ 2,000,000/- is obtained by the Company at an interest rate of US$ 6% for the purpose of expanding the existing network infrastructure of Ooredoo Maldives PLC. The loan capital is repayable in 23 monthly installments of US$ 83,400/- each. The facility is secured by a fixed deposit equal to 125% of the loan outstanding. Initial deposit MRf. 4,791,765/-. Deposits are placed at an interest rate of 4%.

24 LOANS AND BORROWINGS (CONTINUED)

24.7 Demand Loan III

The Company has obtained a demand loan of US$ 3,000,000/- on 7th January 2016 which required to be a period of 24 months at US$ 125,000/- each and interest to be paid monthly at 6% per annum. This loan is securred againts a fixed deposit of MRf. 57,825,000/-.

24.8 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 March 2018. The total value of this loan facility is US$ 63,577,740/-. Annual interest is LIBOR + 3% for US$ 30,200,000/- and LIBOR + 5% for US$ 33,377,740/-. In accordance with the resolution dated 22nd April 2014, an amount of US$ 30,200,000/- (1 US$ = MRf. 15.42) out of this loan is transferred as advance for share capital.

25 PROVISIONS

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Network and Asset Retirement Obligation **(Note 25.1)**	18,158	-	18,158	-

25.1 Network and Assets Retirement Obligation

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.

	Group		Company	
	2016	2015	2016	2015
Lease Period	15 Years	-	15 Years	-
Discount Rate	10%	-	10%	-

26 AMOUNTS DUE TO RELATED PARTIES

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Ooredoo Kuwait	148,219	148,219	148,219	148,219
Wataniya International Fz-LLC	368,113	339,550	368,113	339,550
Ooredoo Group LLC	7,419	6,837	7,419	6,837
Ooredoo IP LLC	3,461	1,620	3,461	1,620
WARF Telecom International Private Limited	-	-	1,473	397
	527,212	496,226	528,685	496,623

27 TRADE AND OTHER PAYABLES

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Trade Payables	80,038	14,299	79,928	12,899
Deferred Revenue	60,183	47,589	60,183	47,589
Equipment Suppliers and Contractors	8,215	4,389	8,215	4,389
Advances from Customers	12,245	11,030	12,245	11,030
Accruals and Provisions	240,589	183,328	240,589	183,328
Other Payables	18,285	4,957	14,755	1,632
	419,555	265,592	415,915	260,867

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:

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit Risk (Continued)

	Group Carrying Amount		Company Carrying Amount	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Trade and Other Receivables	347,894	236,179	342,069	233,607
Amount Due from Related Party	21,561	22,306	-	-
Balances with Banks	262,498	363,570	252,206	348,583
Investments in Fixed Deposits	782,590	320,702	662,464	245,702
	1,414,543	942,757	1,256,739	827,892

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.

Impairment Losses	31/12/2016		31/12/2015	
Group	Gross MRf. "000"	Impairment MRf. "000"	Gross MRf. "000"	Impairment MRf. "000"
The aging of trade and other receivables at the reporting date was:				
Not Past Due	102,546	-	69,614	-
Past Due 0-30 days	50,665	-	34,398	-
Past Due 31-120 days	60,500	10,819	38,073	10,333
Past Due 121-180 days	87,354	9,804	57,303	9,457
Past Due more than 181 days	46,829	42,246	36,791	34,444
	347,894	62,869	236,179	54,234

Impairment Losses	31/12/2016		31/12/2015	
Company	Gross MRf. "000"	Impairment MRf. "000"	Gross MRf. "000"	Impairment MRf. "000"
The aging of trade and other receivables at the reporting date was:				
Not Past Due	96,823	-	66,902	-
Past Due 0-30 days	50,562	-	34,398	-
Past Due 31-120 days	60,501	10,819	41,073	10,333
Past Due 121-180 days	87,354	9,804	53,943	9,298
Past Due more than 181 days	46,829	42,106	37,291	34,463
	342,069	62,729	233,607	54,094

The movement in provision for impairment in respect of trade and other receivables is given in Note 16.1 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.

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(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.

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

31st December 2016

Group	Carrying Amount MRf. "000"	0-12 Months MRf. "000"	1-2 Years MRf. "000"	2-5 Years MRf. "000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	359,372	359,372	-	-
Loans and Borrowings	543,713	93,639	403,942	46,132
Amounts Due to Related Parties	527,212	527,212	-	-
	1,430,297	980,223	403,942	46,132

31st December 2015

Group	Carrying Amount MRf. "000"	0-12 Months MRf. "000"	1-2 Years MRf. "000"	2-5 Years MRf. "000"
Financial Liabilities (Non- Derivative)				
Trade and Other Payables	218,003	218,003	-	-
Loans and Borrowings	695,243	111,422	552,981	30,840
Amounts Due to Related Parties	496,226	496,226	-	-
	1,409,472	825,651	552,981	30,840

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

31st December 2016

Company	Carrying Amount MRf. "000"	0-12 Months MRf. "000"	1-2 Years MRf. "000"	2-5 Years MRf. "000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	355,732	355,732	-	-
Loans and Borrowings	543,713	93,639	403,942	46,132
Amounts Due to Related Parties	528,685	528,685	-	-
	1,428,130	978,056	403,942	46,132

31st December 2015

Company	Carrying Amount MRf. "000"	0-12 Months MRf. "000"	1-2 Years MRf. "000"	2-5 Years MRf. "000"
Financial Liabilities (Non - Derivative)				
Trade and Other Payables	213,278	213,278	-	-
Loans and Borrowings	695,243	111,422	552,981	30,840
Amounts Due to Related Parties	496,623	496,623	-	-
	1,405,144	821,323	552,981	30,840

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

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 Carrying Amount		Company Carrying Amount	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Variable Rate Instruments				
Financial Liabilities	(543,713)	(695,243)	(543,713)	(695,243)

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 2015.

	Group		Company	
	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
100 Basis points increase in interest rate	(5,437)	(6,952)	(5,437)	(6,952)
100 Basis points decrease in interest rate	5,437	6,952	5,437	6,952

(b) Exposure to Currency Risk

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

Group	31/12/2016		31/12/2015	
	US$ "000"	Euro "000"	US$ "000"	Euro "000"
Cash and Cash Equivalents	9,034	985	8,049	265
Trade and Other Receivables	6,308	-	4,365	-
Trade and Other Payables	(5,148)	-	(725)	-
Gross statement of financial position exposure	10,194	985	11,689	265

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

(v) Market risk (Continued)

(b) Exposure to Currency Risk (Continued)

Company

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

	31/12/2016		31/12/2015	
	US$ "000"	Euro "000"	US$ "000"	Euro "000"
Cash and Cash Equivalents	8,793	985	8,036	265
Trade and Other Receivables	6,308	-	4,365	-
Trade and Other Payables	(5,148)	-	(725)	-
Gross statement of financial position exposure	9,953	985	11,676	265

The following significant exchange rates were applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2016	2015	31/12/2016	31/12/2015
1 MRf. : US$	0.065	0.065	0.065	0.065
1 MRf. : Euro	0.062	0.052	0.062	0.058

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 SUBSIDIARIES

The Company is the parent Company for the following subsidiary company,

	Country of Incorporation	No. of Shares		Shareholding	
		2016	2015	2016	2015
WARF Telecom International Private Limited	Republic of Maldives	211,331,250	211,331,250	65%	65%

31 CONTINGENT LIABILITIES

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

32 COMPARATIVE FIGURES

The Board of Directors of the Group/ the Company has decided to change its presentation currency from United States Dollars to Maldivian Rufiyaa (MRf), which is the Functional Currency of the Company, for the year ended 31 December 2016.

Consequent to this decision, the consolidated/ separate financial statements are re-presented in the functional currency in accordance with IAS 8 - "Changes in Accounting Policies, estimates and errors".

The exchange rate of US$ 1 = MRf 15.42 was used in the conversion of all assets and liabilities re-presented as at 31st December 2015. The exchange difference arising due to the conversion of share capital is presented as reserve on translation of share capital which is disclosed in Note 21 to the consolidated and separate financial statements.

However, the opening consolidated and separate statements of financial position as at 1st January 2015 is not presented as per IAS 1 "Presentation of Financial Statements" since this re presentation does not impact the net equity or total comprehensive income of the Group/ Company presented as at 1st January 2015.

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 MRf. 78,259,414/- as at 31st December 2016 (2015: MRf. 41,598,179/-).

34 DIRECTOR'S RESPONSIBILITY

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

35 RELATED PARTY TRANSACTIONS

Name of the Related Party	Relationship	Nature of the Transaction	Amount		Balance Outstanding Due from/ (to)	
			31/12/2016 MRf. "000"	31/12/2015 MRf. "000"	31/12/2016 MRf. "000"	31/12/2015 MRf. "000"
Ooredoo Group LLC	Affiliate Company	Expenses on Behalf	(12,893)	(6,278)	(7,419)	(6,837)
		Repayment	12,311	14,029		
Ooredoo IP LLC	Affiliate Company	Brand license fee	(15,742)	(5,987)	(3,461)	(1,620)
		Repayment	13,901	4,367		
Ooredoo Kuwait	Intermediate Parent	No Transactions	-	-	(148,219)	(148,219)
Wataniya International Fz-LLC	Parent	Management Fee	(44,039)	(22,619)	(368,113)	(339,550)
		Interest Accrual	(27,574)	(26,571)		
		Repayment	43,050	-		
Focus Infocom Private Limited	Affiliate Company	Lease Line Charges	26,152	20,595	21,561	22,306
		Repayment	(26,897)	(25,221)		

35.1 Transactions with Key Management Personnel

The Board of Directors of the Group/ the Company are the members of the key management personnel. The Group/ the Company have not paid any emoluments to the key management personnel during the year ended 31st December 2016 (2015: 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.