axiata

AXIATA GROUP BERHAD (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following results of the Group for the financial year ended 31 December 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th Quarter Ended		Financial Year Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Audited	Unaudited	Audited
Operating revenue	**6,266,995**	6,261,095	**23,885,781**	24,402,401
Operating costs				
- depreciation, impairment and amortisation	**(3,251,121)**	(1,526,092)	**(7,644,816)**	(5,986,213)
- foreign exchange (losses)/gains	**(11,487)**	(54,195)	**8,389**	(191,563)
- domestic interconnect and international outpayment	**(594,574)**	(704,224)	**(2,408,317)**	(2,700,723)
- marketing, advertising and promotion	**(524,187)**	(553,444)	**(2,147,698)**	(2,108,755)
- other operating costs	**(2,463,058)**	(2,047,406)	**(8,927,499)**	(8,455,866)
- staff costs	**(601,637)**	(630,789)	**(2,068,133)**	(1,906,939)
- other (losses)/gains - net	**(354,649)**	3,221	**(297,790)**	(57,665)
Other income/(expense) - net	**55,305**	(107,116)	**(3,057,592)**	5,370
(Loss)/Profit before finance cost	**(1,478,413)**	641,050	**(2,657,675)**	3,000,047
Finance income	**55,981**	63,006	**221,459**	241,807
Finance cost excluding net foreign exchange gains/(losses) on financing activities	**(331,279)**	(307,341)	**(1,272,385)**	(1,253,369)
Net foreign exchange gains/(losses) on financing activities	**33,143**	140,410	**(208,689)**	352,000
	(298,136)	(166,931)	**(1,481,074)**	(901,369)
Joint ventures				
- share of results (net of tax)	**426**	(1,994)	**1,678**	(48,989)
Associates				
- share of results (net of tax)	**10,072**	(129,673)	**(26,364)**	(352,670)
- (loss)/gain on dilution of equity interests	**(724)**	5,120	**(403,712)**	(2,595)
(Loss)/Profit before taxation	**(1,710,794)**	410,578	**(4,345,688)**	1,936,231
Taxation and zakat	**(309,939)**	(308,277)	**(901,552)**	(773,749)
(Loss)/Profit for the financial period/year	**(2,020,733)**	102,301	**(5,247,240)**	1,162,482
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss:				
- actuarial gain on defined benefits plan, net of tax	**664**	9,201	**4,092**	18,027
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**9,377**	(841,497)	**(1,298,172)**	(2,070,454)
- net cash flow hedge	**45,396**	28,774	**(68,074)**	271
- net investment hedge	**19,988**	24,195	**15,801**	(15,801)
- fair value through other comprehensive income	**31,050**	-	**(574,655)**	-
- available-for-sale	**-**	-	**-**	(1,358)
Other comprehensive income/(expense) for the financial period/year, net of tax	**106,475**	(779,327)	**(1,921,008)**	(2,069,315)
Total comprehensive expenses for the financial period/year	**(1,914,258)**	(677,026)	**(7,168,248)**	(906,833)
(Loss)/Profit for the financial period/year attributable to:				
- owners of the company	**(1,661,923)**	24,725	**(5,034,573)**	909,480
- non-controlling interests	**(358,810)**	77,576	**(212,667)**	253,002
	(2,020,733)	102,301	**(5,247,240)**	1,162,482
Total comprehensive expenses for the financial period/year attributable to:				
- owners of the company	**(1,623,079)**	(526,853)	**(6,764,630)**	(586,819)
- non-controlling interests	**(291,179)**	(150,173)	**(403,618)**	(320,014)
	(1,914,258)	(677,026)	**(7,168,248)**	(906,833)
Earnings Per Share (sen) (Part B, Note 12)				
- basic	**(18.3)**	0.3	**(55.6)**	10.1
- diluted	**(18.2)**	0.3	**(55.4)**	10.1

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/2018 RM'000 Unaudited	31/12/2017 RM'000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,502,368	13,407,253
Reserves	3,974,431	11,323,883
Total equity attributable to owners of the Company	17,476,799	24,731,136
Non-controlling interests	5,737,907	5,773,447
Total equity	23,214,706	30,504,583
NON-CURRENT LIABILITIES		
Borrowings	14,646,553	14,796,319
Derivative financial instruments	1,698,722	1,441,161
Deferred income	358,178	270,915
Deferred gain on sale and lease back assets	663,228	817,073
Trade and other payables	3,009,826	1,644,197
Contract liabilities	18,528	-
Provision for liabilities	487,394	468,920
Deferred taxation	1,419,713	1,672,496
Total non-current liabilities	22,302,142	21,111,081
	45,516,848	**51,615,664**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/2018 RM'000 Unaudited	31/12/2017 RM'000 Audited
NON-CURRENT ASSETS		
Intangible assets	20,926,703	22,176,286
Contract acquisition costs	108,503	-
Contract assets	199,030	-
Property, plant and equipment	27,290,458	26,909,970
Joint ventures	27,699	26,022
Associates	266,475	7,985,974
Financial assets at fair value through other comprehensive income	1,659,412	-
Available-for-sale financial assets	-	62,030
Derivative financial instruments	-	143,777
Long term receivables	561,043	535,157
Deferred taxation	615,460	270,046
Total non-current assets	51,654,783	58,109,262
CURRENT ASSETS		
Inventories	219,130	174,279
Trade and other receivables	4,692,806	4,496,637
Contract assets	409,818	-
Derivatives financial instruments	238,506	53,109
Financial assets at fair value through profit or loss	38	64
Tax recoverable	20,912	41,615
Deposits, cash and bank balances	5,059,549	6,812,868
Assets classified as held for sale	1,602,800	223,162
Total current assets	12,243,559	11,801,734
LESS: CURRENT LIABILITIES		
Trade and other payables	11,177,267	12,616,963
Contract liabilities	1,295,243	-
Deferred gain on sale and lease back assets	120,942	126,017
Borrowings	4,474,455	4,387,670
Derivative financial instruments	155,901	152,621
Current tax liabilities	1,157,686	754,511
Liabilities classified as held for sale	-	257,550
Total current liabilities	18,381,494	18,295,332
Net current liabilities	(6,137,935)	(6,493,598)
	45,516,848	**51,615,664**
Net assets per share attributable to owners of the Company (sen)	193	273

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

		Attributable to equity holders of the Company							
	Note	Share capital '000	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2018 :									
-As previously reported		9,047,951	13,407,253	783,362	(1,044,085)	11,584,606	24,731,136	5,773,447	30,504,583
-First time adoption adjustments	Part A, 2(c)	-	-	-	-	(106,287)	(106,287)	4,604	(101,683)
-Opening balance adjustment	Part A, 2(e)	-	-	-	323,496	(323,496)	-	-	-
-As restated		9,047,951	13,407,253	783,362	(720,589)	11,154,823	24,624,849	5,778,051	30,402,900
Loss for the financial year		-	-	-	-	(5,034,573)	(5,034,573)	(212,667)	(5,247,240)
Other comprehensive expense:									
-Currency translation differences arising during the financial year:									
-subsidiaries		-	-	(988,285)	-	-	(988,285)	(191,964)	(1,180,249)
-associates		-	-	(179,489)	-	-	(179,489)	-	(179,489)
-derecognition of an associate		-	-	61,566	-	-	61,566	-	61,566
		-	-	(1,106,208)	-	-	(1,106,208)	(191,964)	(1,298,172)
-Net cash flow hedge		-	-	-	(67,981)	-	(67,981)	(93)	(68,074)
-Net investment hedge		-	-	-	15,801	-	15,801	-	15,801
-Actuarial gain, net of tax		-	-	-	2,986	-	2,986	1,106	4,092
-Revaluation of fair value		-	-	-	(574,655)	-	(574,655)	-	(574,655)
Total comprehensive expense		**-**	**-**	**(1,106,208)**	**(623,849)**	**(5,034,573)**	**(6,764,630)**	**(403,618)**	**(7,168,248)**
Transactions with owners:									
-Issuance of new ordinary shares		2,755	10,963	-	-	-	10,963	-	10,963
-Disposal of subsidiaries	Part A,12	-	-	(6,351)	-	265,690	259,339	99,181	358,520
-Dilution of equity interest in subsidiaries		-	-	-	-	42,864	42,864	415,868	458,732
-Acquisition of subsidiaries		-	-	-	-	(15,796)	(15,796)	12,756	(3,040)
-Dividends paid to shareholders by:									
-DRS		19,928	79,113	-	-	(79,113)	-	-	-
-cash settlement		-	-	-	-	(691,114)	(691,114)	-	(691,114)
-Dividends paid to NCI		-	-	-	-	-	-	(164,331)	(164,331)
-Share-based payment expenses		-	-	-	10,324	-	10,324	-	10,324
-Transferred from share-based payment reserve upon exercise/vest		384	5,039	-	(5,039)	-	-	-	-
Total transaction with owners		23,067	95,115	(6,351)	5,285	(477,469)	(383,420)	363,474	(19,946)
At 31 December 2018		**9,071,018**	**13,502,368**	**(329,197)**	**(1,339,153)**	**5,642,781**	**17,476,799**	**5,737,907**	**23,214,706**

Non-controlling interests ("NCI") Dividend reinvestment scheme ("DRS") Available-for-sale ("AFS") Fair value through other comprehensive income ("FVTOCI")

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

		Attributable to equity holders of the Company								
		Share capital	**Share capital**	**Share premium**	**Currency translation differences**	**Reserves**	**Retained earnings**	**Total**	**NCI**	**Total equity**
		'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2017:										
-As previously reported		8,971,415	8,971,415	4,081,106	2,288,800	(1,095,694)	9,335,025	23,580,652	5,037,449	28,618,101
-Opening balance adjustment	Part A, 2(e)	-	-	-	-	323,496	(323,496)	-	-	-
-As restated		8,971,415	8,971,415	4,081,106	2,288,800	(772,198)	9,011,529	23,580,652	5,037,449	28,618,101
Profit for the financial year		-	-	-	-	-	909,480	909,480	253,002	1,162,482
Other comprehensive expense:										
-Currency translation differences arising during the financial year:										
-subsidiaries		-	-	-	(1,369,813)	-	-	(1,369,813)	(578,331)	(1,948,144)
-joint venture		-	-	-	(4,202)	-	-	(4,202)	-	(4,202)
-associates		-	-	-	(118,108)	-	-	(118,108)	-	(118,108)
		-	-	-	(1,492,123)	-	-	(1,492,123)	(578,331)	(2,070,454)
-Net cash flow hedge		-	-	-	-	94	-	94	177	271
-Net investment hedge		-	-	-	-	(15,801)	-	(15,801)	-	(15,801)
-Actuarial gain, net of tax		-	-	-	-	12,889	-	12,889	5,138	18,027
-Revaluation of AFS		-	-	-	-	(1,358)	-	(1,358)	-	(1,358)
Total comprehensive (expense)/ income		-	-	-	(1,492,123)	(4,176)	909,480	(586,819)	(320,014)	(906,833)
Transaction with owners:										
-Issuance of new ordinary shares		2,103	7,540	110	-	-	-	7,650	-	7,650
-Transition to no par value regime		-	4,081,216	(4,081,216)	-	-	-	-	-	-
-Reversal of reserve		-	-	-	-	81	-	81	-	81
-Dilution of equity interest in subsidiaries		-	-	-	(1,180)	(987)	67,762	65,595	(63,564)	2,031
-Private placement of a subsidiary		-	-	-	724	40,087	1,229,623	1,270,434	908,552	2,178,986
-Partial disposal of subsidiaries		-	-	-	(12,859)	18,884	765,470	771,495	390,946	1,162,441
-Acquisition of subsidiaries		-	-	-	-	-	(3,614)	(3,614)	17,595	13,981
-Dividends paid to shareholders by:										
-DRS		73,046	339,888	-	-	-	(339,888)	-	-	-
-cash settlement		-	-	-	-	-	(379,252)	(379,252)	-	(379,252)
-Dividends paid to NCI		-	-	-	-	-	-	-	(197,517)	(197,517)
-Share-based payment expenses		-	-	-	-	4,914	-	4,914	-	4,914
-Transferred from share-based payment reserve upon exercise/vest		1,387	7,194	-	-	(7,194)	-	-	-	-
Total transactions with owners		76,536	4,435,838	(4,081,106)	(13,315)	55,785	1,340,101	1,737,303	1,056,012	2,793,315
At 31 December 2017		**9,047,951**	**13,407,253**	**-**	**783,362**	**(720,589)**	**11,261,110**	**24,731,136**	**5,773,447**	**30,504,583**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Reserves									
	Capital contribution	**Merger**	**Hedging**	**Cost of hedging**	**Actuarial**	**Share-based payment**	**FVTOCI**	**AFS**	**Other**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2018:										
-As previously reported	16,598	346,774	(341,409)	-	23,996	133,367	-	34,640	(1,258,051)	(1,044,085)
-First time adoption adjustments	-	-	43,764	(43,764)	-	-	34,640	(34,640)	-	-
-Opening balance adjustment	-	-	323,496	-	-	-	-	-	-	323,496
-As restated	16,598	346,774	25,851	(43,764)	23,996	133,367	34,640	-	(1,258,051)	(720,589)
Other comprehensive expense:										
-Net cash flow hedge	-	-	(24,987)	(42,994)	-	-	-	-	-	(67,981)
-Net investment hedge	-	-	15,801	-	-	-	-	-	-	15,801
-Actuarial gain, net of tax	-	-	-	-	2,986	-	-	-	-	2,986
-Revaluation of fair value	-	-	-	-	-	-	(574,655)	-	-	(574,655)
Total comprehensive expense	**-**	**-**	**(9,186)**	**(42,994)**	**2,986**	**-**	**(574,655)**	**-**	**-**	**(623,849)**
Transactions with owners:										
-Share-based payment expenses	-	-	-	-	-	10,324	-	-	-	10,324
-Transferred from share-based payment reserve upon exercise/vest	-	-	-	-	-	(5,039)	-	-	-	(5,039)
Total transaction with owners	-	-	-	-	-	5,285	-	-	-	5,285
At 31 December 2018	**16,598**	**346,774**	**16,665**	**(86,758)**	**26,982**	**138,652**	**(540,015)**	**-**	**(1,258,051)**	**(1,339,153)**
At 1 January 2017:										
-As previously reported	16,598	346,774	(325,702)	-	11,107	135,647	-	35,998	(1,316,116)	(1,095,694)
-Opening balance adjustment	-	-	323,496	-	-	-	-	-	-	323,496
-As restated	16,598	346,774	(2,206)	-	11,107	135,647	-	35,998	(1,316,116)	(772,198)
Other comprehensive expense:										
-Net cash flow hedge	-	-	94	-	-	-	-	-	-	94
-Net investment hedge	-	-	(15,801)	-	-	-	-	-	-	(15,801)
-Actuarial gain, net of tax	-	-	-	-	12,889	-	-	-	-	12,889
-Revaluation of AFS	-	-	-	-	-	-	-	(1,358)	-	(1,358)
Total comprehensive expense	-	-	(15,707)	-	12,889	-	-	(1,358)	-	(4,176)
Transaction with owners:										
-Reversal of reserve	-	-	-	-	-	-	-	-	81	81
-Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	(987)	(987)
-Private placement of a subsidiary	-	-	-	-	-	-	-	-	40,087	40,087
-Partial disposal of subsidiaries	-	-	-	-	-	-	-	-	18,884	18,884
-Share-based payment expenses	-	-	-	-	-	4,914	-	-	-	4,914
-Transferred from share-based payment reserve upon exercise/vest	-	-	-	-	-	(7,194)	-	-	-	(7,194)
Total transactions with owners	-	-	-	-	-	(2,280)	-	-	58,065	55,785
At 31 December 2017 (as restated)	**16,598**	**346,774**	**(17,913)**	**-**	**23,996**	**133,367**	**-**	**34,640**	**(1,258,051)**	**(720,589)**

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL YEAR ENDED	
	31/12/2018 Unaudited RM'000	31/12/2017 Audited RM'000
Receipt from customers	24,430,358	23,648,914
Payment to suppliers and employees	(16,116,096)	(15,884,795)
Payment of finance costs	(1,102,214)	(1,297,431)
Payment of income taxes (net of refunds)	(1,107,816)	(730,614)
Zakat	-	(3,123)
CASH FLOWS FROM OPERATING ACTIVITIES	**6,104,232**	**5,732,951**
Proceeds from disposal of property, plant and equipment	57,412	28,945
Purchase of property, plant and equipment	(6,694,537)	(4,914,051)
Acquisition of intangible assets	(540,640)	(99,372)
Investments in deposits maturing more than three (3) months	(191)	140,068
Investment in subsidiaries (net of cash acquired)	(18,398)	(446,015)
Investment in associates	-	(110,047)
Additional investment in associates	(57,003)	(20,149)
Additional investment in a joint venture	-	(34,003)
Settlement of purchase consideration of subsidiaries	(83,435)	(43,221)
Other investment	-	(649)
Dividends received from associates	90,187	92,587
(Advances to)/Repayment from employees	(397)	25
Interests received	223,962	239,343
CASH FLOWS USED IN INVESTING ACTIVITIES	**(7,023,040)**	**(5,166,539)**
Proceeds from issuance of shares under Axiata Share Scheme	10,963	7,650
Proceeds from borrowings	6,779,461	5,090,384
Repayments of borrowings	(7,041,240)	(7,250,018)
Proceeds from Sukuks	-	1,712,860
Repayment of Sukuks	-	(1,000,000)
Net proceed from private placements of a subsidiary	-	2,178,986
Net proceed from partial disposal of subsidiaries	367,434	1,162,440
Repayment of finance lease creditors	(334,770)	(153,693)
Additional investment in subsidiaries	(1,289)	(6,555)
Additional investment in subsidiaries by non-controlling interests	396,456	-
Dividends paid to shareholders	(691,114)	(379,252)
Dividends paid to non-controlling interests	(164,331)	(115,136)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	**(678,430)**	**1,247,666**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,597,238)	1,814,078
NET DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	147,481	224,347
EFFECT OF EXCHANGE RATE CHANGES	(162,023)	(216,189)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	6,471,658	4,649,422
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**4,859,878**	**6,471,658**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)		
	FOR THE FINANCIAL YEAR ENDED	
	31/12/2018	**31/12/2017**
	Unaudited	**Audited**
	RM'000	**RM'000**
Total deposits, cash and bank balances	5,059,549	6,812,868
Add: Cash and cash equivalent of a discontinued operation	-	(9,079)
Less:		
- Deposit pledged and escrow account	(25,181)	(85,836)
- Deposit on investment in subsidiaries	-	(86,826)
- Deposits maturing more than three (3) months	(66,836)	(66,645)
- Bank overdrafts	(107,654)	(92,824)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**4,859,878**	**6,471,658**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017)

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited interim financial statements for the financial year ended 31 December 2018 of the Group have been prepared in accordance with the International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards ("MFRS"), MFRS 134 "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 ("2017 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2017 Audited Financial Statements except for the adoption of new standards/IC Interpretation and amendments to existing standards that are applicable to the Group for the financial year beginning 1 January 2018 as set out below:

- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- Amendment to MFRS 2 "Share-based Payment" on Classification and Measurement of Share-based Payment Transactions.
- Amendments to MFRS 128 "Investments in Associates and Joint Ventures".

The above adoptions did not have a material impact to the Group during the current quarter and financial period to date.

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"

The impacts of adoption of MFRS 9 and MFRS 15 are as follows:

(a) MFRS 9

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

✓ Those to be measured subsequently at fair value [either through other comprehensive income ("OCI"), or through profit or loss],
✓ and those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

2. Accounting Policies (continued)

(a) MFRS 9 (continued)

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment assessment on financial assets

The Group adopted expected credit loss model (“ECL”) instead of the current incurred loss model on its financial assets. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

(iv) Transition

The Group adopted the standard by using the cumulative catch-up transition method. Hence, the cumulative effect of the initially applied the standard was recognised as an adjustment to the opening balances of retained earnings as at 1 January 2018 as stated in Part A, Note 2(c) to the announcement and comparative was not restated.

(b) MFRS 15

(i) Revenue from bundled contracts (multiple-element arrangements)

Some revenue is recognised earlier, as a larger portion of the total consideration received in a bundled contract is attributable to the component delivered at contract inception (i.e. typically a subsidised handset). Therefore, this produces a shift from service revenue (which decrease) to the benefit of handset revenue. This results in the recognition of a contract asset on the statement of financial position as more revenue is recognised upfront while the cash is received along the subscription period.

(ii) Cost of acquisition of contract

Certain incremental costs incurred in acquiring a contract with a customer are capitalised on the consolidated statement of financial position and amortised over either the average customer retention period or the contract term, depending on the circumstances.

When the amortisation period is one year or less, incremental costs are expensed when incurred.

2. Accounting Policies (continued)

(b) MFRS 15 (continued)

(iii) Transition

The Group has elected the modified retrospective approach for the initial adoption of MFRS 15. The Group applied MFRS 15 retrospectively only for those contracts which have not been fulfilled as of 1 January 2018. The resultant impact of conversion was recognised in equity as of 1 January 2018 as disclosed in Part A, Note 2(c) to the announcement and comparative was not be restated.

(c) First time adoption adjustments of MFRS 9 and MFRS 15 to the consolidated statement of financial position as at 1 January 2018 are as below:

	As at 1 January 2018			
		First time adoption adjustments		
	As reported	MFRS 15	MFRS 9	As adjusted
	RM'000	RM'000	RM'000	RM'000
Total equity:				
- Reserves	11,323,883	(39,847)	(66,440)	11,217,596
- Non-controlling interests	5,773,447	5,505	(901)	5,778,051
Total net assets:				
- Intangible assets	22,176,286	(192,507)	-	21,983,779
- Contract acquisition costs	-	104,250	-	104,250
- Trade and other receivables	4,496,637	(182,229)	(85,022)	4,229,386
- Trade and other payables	(12,616,963)	1,035,228	-	(11,581,735)
- Contract assets	-	262,946	-	262,946
- Contract liabilities	-	(1,090,128)	-	(1,090,128)
- Deferred taxation	(1,672,496)	28,098	17,681	(1,626,717)

2. Accounting Policies (continued)

(d) Adjustments of MFRS 9 and MFRS 15 to the consolidated profit or loss during the current quarter and financial year to date are as below:

	Financial year to date			
		Adoption impacts		
	Before	MFRS 15	MFRS 9	After
	RM'000	RM'000	RM'000	RM'000
Revenue	23,281,515	604,266	-	23,885,781
Costs	(14,728,310)	(759,044)	(64,293)	(15,551,647)
Depreciation, impairment and amortisation	(7,769,834)	125,018	-	(7,644,816)
Finance income	204,255	17,204	-	221,459
Taxation	(921,079)	7,766	11,761	(901,552)
Loss for the financial year attributable to:				
- owners of the company	(4,974,972)	(7,090)	(52,511)	(5,034,573)
- non-controlling interests	(214,946)	2,300	(21)	(212,667)
	(5,189,918)	(4,790)	(52,532)	(5,247,240)

Disaggregation of revenue for financial year to date under MFRS15 is as below:

	Before	MFRS 15	After
	RM'000	RM'000	RM'000
Goods or services transferred:			
-at a point in time	1,103,213	756,800	1,860,013
-over time	22,178,302	(152,534)	22,025,768
	23,281,515	604,266	23,885,781

2. Accounting Policies (continued)

(d) Adjustments of MFRS 9 and MFRS 15 to the consolidated profit or loss during the current quarter and financial year to date are as below: (continued)

	Current Quarter			
		Adoption impacts		
	Before	MFRS 15	MFRS 9	After
	RM'000	RM'000	RM'000	RM'000
Revenue	6,052,219	214,776	-	6,266,995
Costs	(3,865,534)	(296,925)	(20,997)	(4,183,456)
Depreciation, impairment and amortisation	(3,294,272)	43,151	-	(3,251,121)
Finance income	50,529	5,452	-	55,981
Taxation	(320,784)	9,766	1,079	(309,939)
Loss for the financial period attributable to:				
- owners of the company	(1,618,418)	(23,587)	(19,918)	(1,661,923)
- non-controlling interests	(358,617)	(193)	-	(358,810)
	(1,977,035)	(23,780)	(19,918)	(2,020,733)

Disaggregation of revenue for current quarter under MFRS15 is as below:

	Before	MFRS 15	After
	RM'000	RM'000	RM'000
Goods or services transferred:			
-at a point in time	323,792	271,489	595,281
-over time	5,728,427	(56,713)	5,671,714
	6,052,219	214,776	6,266,995

(e) Opening balance adjustment

In conjunction with the adoption of MFRS 9, the Group had reassessed its existing hedge relationships. The Group has a SGD net investment hedge where a USD300 million receivable under a cross currency interest swap (“CCIRS”) and a borrowing of USD300 million were designated to hedge against the foreign currency risk of the Group’s net investment in an associate. Based on the assessment, the Group concluded that changes in the foreign currency translation of the borrowing and the fair value of the CCIRS do not proportionately offset the changes in the foreign currency translation of the net investment in associate. Consequently, the related portion of the hedge reserve was reclassified to the retained earnings as at 1 January 2017. The statement of financial position as at 1 January 2017 is not presented as the financial statement line items are not affected.

3. Seasonal or Cyclical Factors

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

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

The Group's performance for the current quarter and financial year to date has taken into account of the following:

(a) Celcom Axiata Berhad ("Celcom") had on 31 October 2016 received the letter from the Malaysian Communications and Multimedia Commission on the reissuance of the existing Spectrum Assignment in 1950 Mhz to 1965 Mhz and 2140 Mhz to 2155 Mhz for a period of 16 years effective from 2 April 2018, subject to price component payment of RM118.4 million being made in one lump sum before 1 February 2018 and annual fixed fee payment of RM50.0 million payable before 15 December throughout the assignment period. Celcom has submitted the price component fee of RM118.4 million on 30 January 2018.

(b) Following the allotment of equity shares by Idea Cellular Limited ("Idea") as disclosed in Part A, Note 12(c) of this announcement, the Group recognised a loss of dilution amounting to RM357.6 million during the financial year to date.

(c) On 4 February 2018, Robi Axiata Limited applied for tech neutrality in the two bands for a total fee of RM185.2 million (BDT4.0 billion) for the concession upgrade.

(d) On 17 May 2018, the Group entered into a success fee arrangement with a shareholder of a subsidiary amounting to RM199.0 million or USD50.2 million relating to an investment opportunity in the subsidiary which is payable in 2018 and 2019.

(e) On 20 March 2017, the Group had announced that Idea and Vodafone India Limited ("VIL") are to merge under a scheme of amalgamation. The scheme provided for the amalgamation of Idea with VIL and Vodafone Mobile Services Limited ("VMSL"), a wholly-owned subsidiary of VIL. Idea being the resultant entity was to issue an allotment of fully paid-up equity shares of Idea to the equity shareholders of VIL and VMSL. As a result, the Group's shareholding in Idea was expected to be diluted from 16.33% to 8.88% as at 30 June 2018.

The Group had reclassified the portion to be diluted as non-current assets held for sale in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" as the amalgamation was highly probable to be completed within the next 12 months from 30 June 2018. In addition, the Group had also recognised a provision of loss amounting to RM3,379.9 million based on fair value less cost to sell of the investment in Idea as at 30 June 2018. The retained interest of RM1,186.7 million continued to be classified as an investment in associate until the merger was completed.

On 16 August 2018, the Group had announced that it had relinquished some of its rights under the Subscription Agreement dated 25 June 2008 between the Group and Idea in relation to the subscription of Idea's shares by the Group. Amongst others, the Group had relinquished its rights to appoint an Axiata representative as a Board member and anti-dilution rights. Accordingly, the Group ceased to have significant influence over Idea and had:

- recognised a gain on derecognition of associate amounting to RM51.1 million to profit or loss; and
- reclassified its entire investment in Idea from non-current assets held for sale and investment in associate to a financial asset measured at fair value through other comprehensive income effective 16 August 2018. The fair value of the investment was re-measured based on the fair value on 16 August 2018.

4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)

The Group's performance for the current quarter and financial year to date has taken into account of the following: (continued)

(f) During the current quarter and financial year to date, the Group classified its investment in an associate, M1 Limited of RM1,602.8 million as "Assets classified as held for sale" under MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

(g) During the current quarter and financial year to date, the Group written off, impairment and accelerated depreciation on property, plant and equipment ("PPE") of RM1,816.6 million based on technology assessment.

(h) During the current quarter and financial year to date, the Group has made deferred tax adjustments and several tax provisions totalling RM76.9 million arising from assets written off, impairment and accelerated depreciation on PPE and tax obligations of its subsidiaries.

(i) During the current quarter and financial year to date, the Group recognised net foreign exchange gains of RM21.7 million and foreign exchange losses of RM200.3 million respectively mainly arising from the revaluation of USD borrowings and payables.

Other than the above and as disclosed in Part A, Note 12 to this announcement, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial year ended 31 December 2018.

5. Estimates

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

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial year to date.

In preparing the unaudited interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied to 2017 Audited Financial Statements.

6. Issues, Repurchases and Repayments of Debt and Equity Securities

(a) During the financial year to date, the Company issued new ordinary shares under the Axiata Share Scheme and Dividend Reinvestment Scheme ("DRS") as below:

Description	Total ordinary shares of the Company issued	
	'000	RM'000
● Performance-Based Employee Share Option Scheme ("ESOS") at an exercise price of either RM1.81, RM3.45 and RM5.07.	2,755	13,809
● Restricted Share Awards ("RSA") at an issuance price from RM5.45 to RM6.29 being the fair value of RSA issued.	384	2,193
● DRS at a conversion price of RM3.97 per ordinary share respectively.	19,928	79,113
Total	23,067	95,115

(b) The Company had undertaken new loans as below:

- On 13 March 2018, a loan with Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad amounting to RM976.1 million (USD250.0 million) with tenure of three (3) years from the date of first drawdown and carry contractual interest rate of LIBOR + applicable interest.
- On 14 September 2018, a loan with Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad amounting to RM207.3 million (USD50.0 million) with tenure of six (6) months from the date of first drawdown and carry contractual interest rate of LIBOR + applicable interest.
- On 2 November 2018, a loan with Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad amounting to RM209.2 million (USD50.0 million) with tenure of six (6) months from the date of first drawdown and carry contractual interest rate of LIBOR + applicable interest.

Aside from the above, there were no other significant unusual issues, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2018.

7. Dividend paid

(a) The Company declared and paid the dividend during the financial year as below:

Date of payment	Description	Per ordinary share	Total
		Sen	RM'000
19 July 2018	Final tax exempt dividend under single tier in respect of financial year ended 31 December 2017[1]	3.5	316,740
12 November 2018	Interim tax exempt dividend under single tier in respect of financial year ended 31 December 2018	5.0	453,487
		8.5	770,227

[1] Out of the total dividend distribution, a total RM79.1 million was converted into 19.9 million new ordinary shares of the Company as disclosed in Part A, Note 6(a) of this announcement.

8. Segmental Information

For the financial year ended 31 December 2018

Segment	Mobile						Infrastructure			
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Malaysia	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	7,339,023	6,514,623	3,272,532	2,715,382	2,113,473	1,159,741	1,530,680	430,930	-	25,076,384
Inter-segment[1]	(54,391)	(88,544)	(33)	(15,332)	(15,434)	(12,358)	(954,247)	(50,264)	-	(1,190,603)
External operating revenue	7,284,632	6,426,079	3,272,499	2,700,050	2,098,039	1,147,383	576,433	380,666	-	23,885,781
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,906,001	2,527,143	794,746	1,081,774	1,301,146	543,772	684,228	(5,169,732)	4,665,056	8,334,134
Interest income	97,706	34,033	4,972	6,825	34,609	5,776	34,648	68,099	(65,209)	221,459
Interest expense	(205,100)	(508,570)	(147,700)	(55,342)	(18,256)	(391)	(31,008)	(385,264)	79,246	(1,272,385)
Depreciation of property, plant & equipment ("PPE")	(861,971)	(3,334,909)	(577,701)	(531,463)	(339,516)	(192,940)	(316,984)	(28,178)	22,368	(6,161,294)
Amortisation of intangible assets	(61,011)	(41,950)	(251,924)	(114,961)	(129,182)	(9,681)	(28,346)	(12,077)	(269,141)	(918,273)
Joint ventures:										
- share of results (net of tax)	1,678	-	-	-	-	-	-	-	-	1,678
Associates:										
- share of results (net of tax)[2]	12,682	-	11,795	36	-	4,149	-	(55,026)	-	(26,364)
- loss on dilution of equity interests	-	-	-	-	-	-	-	(403,712)	-	(403,712)
Impairment of PPE, net of reversal	(471,631)	(6,138)	(1,518)	(7,172)	80,289	-	-	-	-	(406,170)
Other non-cash income/(expense)[3]	46,063	78,330	296,325	(145,621)	(12,118)	(10,113)	(8,500)	31,889	(3,991,016)	(3,714,761)
Taxation	(154,039)	312,226	(25,625)	(48,762)	(222,728)	(68,250)	(125,619)	(524,359)	(44,396)	(901,552)
Segment profit/(loss) for the financial year	**310,378**	**(939,835)**	**103,370**	**185,314**	**694,244**	**272,322**	**208,419**	**(6,478,360)**	**396,908**	**(5,247,240)**

[1] Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

[2] Share of results of associates are mainly contributed by Idea (-RM185.7 million) and M1 Limited (RM167.6 million).

[3] Included in other non-cash income/(expenses) are loss on derecognition of an associate of RM3,319.1 million, elimination of intra-group restructuring gain on a subsidiary recorded by respective segment of RM303.6 million and gains arising from partial disposal of a subsidiary of RM274.7 million.

8. Segmental Information (continued)

For the financial year ended 31 December 2017

Segment	Mobile						Infrastructure			
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Malaysia	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	6,593,239	7,365,963	3,640,273	2,655,808	2,401,835	1,187,913	1,431,561	328,356	-	25,604,948
Inter-segment[1]	(44,101)	(77,612)	360	(13,799)	(49,628)	(14,031)	(1,002,438)	(1,298)	-	(1,202,547)
External operating revenue	6,549,138	7,288,351	3,640,633	2,642,009	2,352,207	1,173,882	429,123	327,058	-	24,402,401
EBITDA	2,317,905	2,761,979	693,173	954,966	1,560,896	589,433	626,319	(802,615)	528,062	9,230,118
Interest income	85,633	46,484	5,332	6,897	27,593	7,699	24,892	87,939	(50,662)	241,807
Interest expense	(222,688)	(513,566)	(76,306)	(52,459)	(24,954)	(2,612)	(37,053)	(406,930)	83,199	(1,253,369)
Depreciation of PPE	(873,593)	(2,255,996)	(584,270)	(513,838)	(307,496)	(184,670)	(275,266)	(43,297)	24,053	(5,014,373)
Amortisation of intangible assets	(127,333)	(62,334)	(250,494)	(37,205)	(159,228)	(5,209)	(25,851)	(1,704)	(304,020)	(973,378)
Joint venture:										
- share of results (net of tax)	403	(33,136)	-	-	-	-	-	(16,256)	-	(48,989)
Associates:										
- share of results (net of tax)[4]	(6,007)	-	16,303	(379)	-	(754)	7,737	(369,570)	-	(352,670)
- loss on dilution of equity interests	-	-	-	-	-	-	-	(2,595)	-	(2,595)
Impairment of PPE, net of reversal	-	22,145	1,749	13,094	(13,315)	-	-	-	-	23,673
Other non-cash income/(expenses)[5]	220,662	101,673	(37,725)	(20,495)	(80,122)	(32,251)	(49,224)	1,398,667	(1,415,178)	86,007
Taxation	(337,206)	49,590	127,871	(47,212)	(291,944)	(88,074)	(101,404)	(121,958)	36,588	(773,749)
Segment profit/(loss) for the financial year	1,057,776	116,839	(104,367)	303,369	711,430	283,562	170,150	(278,319)	(1,097,958)	1,162,482

[4] Share of results of associates are mainly contributed by Idea (-RM450.5 million) and M1 Limited (RM122.4 million).

[5] Included in other non-cash income/(expenses) are the adjustment on provision of loss on assets held for sale (RM161.4 million), elimination of gains arising from partial disposal of subsidiaries (RM796.5 million) and intra-group restructuring gains on associates recorded by respective segments (RM153.6 million).

9. Valuation of PPE

The Group does not adopt a revaluation policy on its PPE.

10. Acquisitions of PPE

During the financial year to date, the Group acquired additional PPE amounting to RM8,009.8 million mainly for its telecommunication network equipment and capital work in progress. Included in the additional PPE is a finance lease arrangement of a subsidiary amounting to RM1,882.5 million.

11. Events after the Reporting Period

(a) Incorporation of Apigate India Services Private Limited ("Apigate India")

Apigate Sdn Bhd, a wholly owned subsidiary of Axiata Digital Services Sdn Bhd, which in turn is a wholly owned subsidiary of the Company, had on 5 February 2019 completed the incorporation of Apigate India (Corporate Identity No. U72900MH2019FTC320723), a private company limited by shares, under the Companies Act 2013.

Apigate India was incorporated with an issued and paid-up share capital of INR100,000. The intended principal activities of Apigate India are to carry out the Application Programming Interface (API) business in the State of Maharashtra, India.

There was no other significant event after the reporting period that requires disclosure and/or adjustment as at 15 February 2019.

12. Effects of Changes in the Composition of the Group

(a) Additional investment in Headstart Private Limited ("Headstart")

Digital Holdings Lanka (Private) Limited ('DHL'), a wholly owned subsidiary of the Company proceeded with the conversion to equity the 'Bond type D' in Headstart (Private) Limited ('Headstart'), consisting of 258 Ordinary Shares on 1 January 2018. Subsequent to the said conversion, the total shareholding of DHL in Headstart increased from 43.37% to 50.59% consisting of a total of 1,024 Ordinary Shares. Thereby, Headstart is consolidated as a subsidiary of the Group for the year ended 31 December 2018.

The additional investment above did not have material impact to the Group during the financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(b) Incorporation of Axiata Global Services Pte Ltd ("AGSPL")

Axiata Business Services Sdn Bhd, a wholly-owned subsidiary of the Company, had on 22 January 2018 incorporated a new subsidiary, AGSPL (Company No. 201802703Z), a private company limited by shares, in Singapore, under the Companies (Amendment) Act 2017.

AGSPL was incorporated with an issued and paid-up share capital of USD2.00. The intended principal activities of AGSPL are to carry out regional Business-to-Business transactions including shared service support for Axiata Group.

The above incorporation has no material impact to the Group during the financial year to date.

(c) Allotment of shares by Idea on preferential basis and under qualified institutional placement

Idea had on:

(i) 12 February 2018 allotted 326,633,165 equity shares with face value of INR10 each ("Idea Shares") at an issue price of INR99.50 per Idea Share aggregating to INR32.5 billion on preferential basis to several entities to the National Stock Exchange of India Limited; and

(ii) 23 February 2018 further allotted 424,242,424 Idea Shares at an issue price of INR82.50 per Idea Share aggregating to INR35.0 billion to eligible qualified institutional buyers under qualified institutional placement.

Following the non-participation by the Group on the allotment of Idea Shares above, the Group's equity interest in Idea decreased from 19.74% to 16.33%. The impact of the dilution above is disclosed in Part A, Note 4(b) of this announcement.

(d) Members' Voluntary Winding-up of Digital Milestone Sdn Bhd ("Digital Milestone")

Pursuant to Section 459 (5) of the Companies Act 2016, Digital Milestone was dissolved effective from 23 April 2018.

The above winding-up has no material impact to the Group during the financial year to date.

(e) Disposal of 10.00% equity interest in Axiata (Cambodia) Holdings Limited ("ACH")

On 12 June 2018, the Group via Axiata Investments (Cambodia) Limited ("AIC") disposed of 10.00% equity interest in ACH to M&Y Asia Telecom Holdings Pte Ltd ("MY Asia") for a cash consideration of RM368.5 million or USD92.4 million in conjunction with the Call Option exercised by MY Asia in accordance with the terms of the Amended and Restated Shareholders' Agreement. Accordingly, AIC and MY Asia respectively holds 72.48% and 20.00% in ACH with the balance 7.52% held by Southern Coast Ventures Inc.

The Group recognised an increase of RM265.7 million in the consolidated retained earnings and non-controlling interests amounting to RM108.1 million with the decrease in consolidated foreign exchange gain reserve of RM6.4 million.

12. Effects of Changes in the Composition of the Group (continued)

(f) Acquisition of Tanjung Digital Sdn Bhd ("TDSB")

edotco Malaysia Sdn Bhd, a wholly owned subsidiary of edotco Group Sdn Bhd ("edotco"), which in turn is a 63.00% subsidiary of the Company, had on 4 May 2018 entered into a Sale and Purchase of Shares Agreement with Utara Jernih Sdn Bhd and Mohd Azam bin Saad for the acquisition of 80,002 ordinary shares representing 80.0% of the issued share capital of TDSB for a total cash consideration of RM140.0 million. The acquisition of TDSB was completed on 27 July 2018.

(g) Incorporation of Axiata Digital Labs (Private) Limited ("ADL")

Axiata Investments (Labuan) Limited ("AIL"), a wholly owned subsidiary of the Company, had on 10 July 2018 completed the incorporation of ADL (Company No. PV00201847), a private company limited by shares, in Sri Lanka, under the Companies Act, No. 7 of 2007 of Sri Lanka.

ADL was incorporated with a stated capital of LKR10 comprising of 1 ordinary share of LKR10 each. The principal activity of ADL is to function as Software Development and IT Enabled Services venture of the Group.

The above incorporation has no material impact to the Group during the financial year to date.

(h) Dilution of equity interest in Axiata Digital Advertising Sdn Bhd ("ADA")

Sumitomo Corporation ("Sumitomo") had on 20 July 2018 invested in ADA, a subsidiary of the Company held via Axiata Digital Services Sdn Bhd, for the subscription of 3,334,017 shares at a consideration of RM81.2 million (USD20.0 million) representing 18.31% of total issued and paid-up share capital of ADA.

The Group recognised an increase of RM52.5 million in the consolidated retained earnings and non-controlling interests amounting to RM28.7 million accordingly.

(i) Divestment of Multinet Pakistan (Private) Limited ("Multinet")

AIL, a wholly owned subsidiary of the Company had on 8 November 2018 completed the divestment of its entire 89.0% in Multinet for a total cash consideration of USD1.0 on a cash free and debt free basis.

The above divestment has no material impact to the Group during the current quarter and financial year to date.

12. Effects of Changes in the Composition of the Group (continued)

(j) Dilution of equity interest in edotco Bangladesh Co. Ltd. ("edotco Bangladesh")

On 12 May 2018, the Group via edotco entered into a Share Subscription Agreement ("SSA") with Greencon Tower Company Limited ("Greencon") for such number of shares equivalent to 30% of the enlarged share capital of edotco Bangladesh which was subsequently amended on 12 November 2018 in which Greencon shall subscribe 71,651,025 ordinary shares in edotco Bangladesh for a consideration of BDT853 million (equivalent to RM41.9 million). edotco also had on 12 November 2018 entered into a SSA with BRAC, where BRAC shall subscribe 465,731,664 ordinary shares in edotco Bangladesh for a consideration of BDT5,546 million (equivalent to RM272.3 million).

The subscriptions by Greencon and BRAC were completed on 14 November 2018 in which Greencon and BRAC respectively hold 4% and 26% of the enlarged share capital of edotco Bangladesh.

Separately, edotco also entered into an Arrangement Fee Agreement underwhich in consideration for edotco arranging the negotiation and signing of the SSA, Greencon shall pay the amount of USD15 million (equivalent to RM62.9 million) to edotco.

With the completion of the above transactions, the Group's effective shareholding in edotco Bangladesh decreased from 50.4% to 44.1% as at the reporting date. As a result, The Group recognised a decrease of RM3.1 million in the consolidated retained earnings and increase in non-controlling interests amounting to RM380.2 million accordingly.

Other than the above, there were no other changes in the composition of the Group for the financial year ended 31 December 2018.

13. Significant Changes in Contingent Assets or Contingent Liabilities

(a) Other than as disclosed in Part B, Note 9 of this announcement, there has been no significant change in contingent assets or contingent liabilities of subsidiaries from that as disclosed in the 2017 Audited Financial Statements.

(b) In line with the cessation of Idea as an associate of the Group as disclosed in Part A, Note 4(e) of this announcement, the contingent liabilities of an associate that as disclosed in the 2017 Audited Financial Statements is removed accordingly.

14. Capital Commitments

	Group	
As at	**31/12/2018**	31/12/2017
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	**2,092,594**	2,667,022

15. Financial Instruments At Fair Value Measurements

The Group's financial instruments that were measured at fair value as at reporting date were as follow:

- Derivative financial instruments (assets and liabilities); and
- Trading securities

The Group measured the financial instruments based on:

- Level 1 (traded in active markets): Quoted market prices
- Level 2 (not traded in active markets): Valuation techniques such as quoted market prices or dealer quotes for similar instruments, present value of the estimated future cash flows based on observable market curves and forward exchange rates at reporting date with the resulting value discounted back to present value
- Level 3: Unobservable inputs

The Group's derivative financial instruments as at 31 December were grouped as below:

Derivatives Financial Instruments	**2018**				2017			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial assets at fair value through:								
- profit or loss	38	-	-	38	64	-	-	64
- OCI	1,595,345	61,317	2,750	1,659,412	-	-	-	-
Available for sale financial assets	-	-	-	-	-	61,317	713	62,030
Non-hedging derivatives	-	238,506	-	238,506	-	196,507	-	196,507
Derivative used for hedging	-	-	-	-	-	379	-	379
Liabilities								
Non-hedging derivatives	-	(185,125)	-	(185,125)	-	-	-	-
Derivatives used for hedging	-	(141,666)	-	(141,666)	-	(196,836)	-	(196,836)
Total	**1,595,383**	**(26,968)**	**2,750**	**1,571,165**	64	61,367	713	62,144

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

(a) Quarter-on-Quarter (Q4'18 vs Q4'17)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/12/2018	31/12/2017		
	RM'million	RM'million	RM'million	%
Revenue	6,267.0	6,261.1	5.9	0.1
EBITDA	2,083.5	2,325.2	(241.7)	-10.4
PAT[1]	(2,020.7)	102.3	(2,123.0)	> -100
PATAMI[2]	(1,661.9)	24.7	(1,686.6)	> -100

[1] PAT : Profit after tax

[2] PATAMI : Profit after tax and minority interest

Group Performance

Group revenue remained stable compared to preceding year corresponding quarter. At constant currency of Q4'17, revenue grew 5.6% attributed to operating companies in Malaysia, Sri Lanka, and Cambodia. EBITDA of the Group decreased 10.4% to RM2,083.5 million mainly impacted by costs of free smartphone special campaign in Malaysia operation.

PAT for the quarter declined to a net loss of RM2,020.7 million mainly due to one-off asset written-off/accelerated depreciation of obsolete assets and equipment decommissioned from network modernization projects during the quarter.

Geographical Highlights

- Malaysia: Revenue grew 11.7% to RM1,915.1 million underpinned by higher device revenue from one-off "100,000 free smartphone" special campaign for selective long-term loyal customers in Q4'18. Consequently, EBITDA dropped by 21.7% to RM466.2 million. PAT decreased significantly to record a net loss of RM216.7 million compared to Q4'17 net profit RM264.5 million due to one-off assets written off/accelerated depreciation amounting to RM358.4 million coupled with lower EBITDA. Excluding the one-off adjustment, Q4'18 PAT is at RM141.7 million.

- Indonesia: Revenue declined by 7.5% to RM1,717.2 million impacted by unfavourable forex translation. At constant currency of Q4'17, operation in Indonesia recorded 1.1% growth and surfaced as it is the only mobile telecom operator to record positive revenue growth in Indonesia market. EBITDA grew 8.4% to RM683.0 million benefitted from lower operating expenses. PAT, however declined more than 100% resulting in a net loss of RM896.1 million mainly due to one-off asset written off/accelerated depreciation of RM892.3 million. Excluding the one-off adjustment, Q4'18 PAT is almost breakeven.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q4'18 vs Q4'17) (continued)

Geographical Highlights (continued)

- Bangladesh: Revenue declined by 7.3% to RM874.5 million mainly due to change in go-to-market model of device in 2018. Despite the decline in revenue, EBITDA registered a strong growth of 29.9% benefitted from lower operating expenses. At constant currency of Q4'17, revenue dropped by 5.8% while EBITDA grew 32.1%. PAT, however declined to a net loss of RM44.8 million mainly due to one-off accelerated depreciation from 2G and 3G legacy network equipment amounting to RM22.8 million. Excluding the one-off accelerated depreciation, PAT remained fairly consistent to Q4'17.

- Sri Lanka: Total revenue remained stable at RM678.3 million. At constant currency of Q4'17, revenue registered a strong growth of 15.0% on the back of strong data revenue underpinned by higher 3G data usage. EBITDA improved by 10.2% to RM273.4 million driven by strong growth in revenue and well managed spending. At constant currency of Q4'17, EBITDA grew by 25.8%. PAT however, declined significantly to a marginal net loss of RM0.9 million compared to net profit of RM86.3 million in Q4'17 due to higher depreciation and foreign exchange translation loss.

- Nepal: Revenue dropped 18.6% to RM511.5 million on the back of implementation of Telecommunication Services Charges in Nepal and expected decline in ILD segment. Consequently, EBITDA dropped by 30.7% to RM285.2 million from RM411.6 million. At constant currency of Q4'17, revenue and EBITDA dropped by 9.7% and 23.1% respectively. Lower EBITDA and higher depreciation, PAT decreased by 22.3% to RM145.6 million.

- Cambodia: Revenue and EBITDA grew by 16.3% and 15.8% compared to previous year corresponding quarter, underpinned by strong growth of data revenue despite the price war and adverse regulatory impact. At constant currency, revenue and EBITDA grew by 15.9% and 15.0% respectively. Higher top lines in Q4'18 as compared to other operating loss recorded in Q4'17, PAT grew more than 100% to record a net profit of RM75.3 million.

- Malaysia (Infrastructure): Revenue grew 1.3% to RM404.9 million. EBITDA remained stable at RM168.8 million. PAT, however declined by 14.2% to a net profit of RM27.3 mainly due to higher depreciation as well as one-off assets written off.

1. **Review of Performance (continued)**

(b) Year-on-Year (FY'18 vs FY'17)

	Current Year To Date	Immediate Preceding Year	Variance	
	31/12/2018	31/12/2017		
	RM'million	RM'million	RM'million	%
Revenue	23,885.8	24,402.4	(516.6)	-2.1
EBITDA	8,334.1	9,230.1	(896.0)	-9.7
PAT	(5,247.2)	1,162.5	(6,409.7)	> -100
PATAMI	(5,034.6)	909.5	(5,944.1)	> -100

Group Performance

Group revenue and EBITDA decreased by 2.1% and 9.7% to RM23,885.8 million and RM8,334.1 million respectively due to the impact from MFRS 15 adoption with effective from 1 January 2018 and forex translation. Malaysian Ringgit (MYR) strengthened against all regional currencies leading to an adverse forex translation impact for the Group. At constant currency of FY'17, revenue grew 6.2% driven by better performance from operating companies in Malaysia, Sri Lanka as well as infrastructure business, while EBITDA remained stable year-on-year.

Comparing to preceding year, profit has been impacted by loss from dilution and derecognition of Axiata's investment in India from associate to simple investment amounting to RM3.7 billion and one-off assets written off/accelerated depreciation amounting to RM1,816.6 million. Consequently, PAT and PATAMI declined significantly to a loss position of RM5,247.2 million and RM5,034.6 million respectively.

Geographical Highlights

- Malaysia: Revenue for the year grew by 11.3% to RM7,339.0 million on the back of strong growth in prepaid mobile services revenue and device revenue. EBITDA however, declined by 17.8% to RM1,906.0 million impacted by the adoption of MFRS 15. Excluding Employee Life Plan (ELP), EBITDA would decline by 14.8%. PAT decreased 70.7% to RM310.4 million compared to RM1,057.8 million in the prior year, mainly due to current year one-off assets written off/accelerated depreciation of RM358.4 million (net tax), coupled with prior year one-off gain from the disposal of an associate company recorded in the entity book. This gain was eliminated at the Group level.

- Indonesia: Revenue and EBITDA dropped 11.6% and 8.5% to RM6,514.6 million and RM2,527.1 million respectively due to unfavourable forex translation impact. At FY'17 constant currency, revenue remained stable while EBITDA outperformed revenue growth, registering an improvement of 3.7% year-on-year. PAT however, decreased to a net loss of RM939.8 million compared to net profit of RM116.8 million in preceding year. This was mainly due to one-off written off amounting to RM892.3 million from 2G and 3G assets and higher depreciation charges from larger network assets investment of prior years. Excluding the one-off assets written off and forex loss, PAT would be positive.

1. **Review of Performance (continued)**

(b) Year-on-Year (FY'18 vs FY'17) (continued)

Geographical Highlights (continued)

- Bangladesh: Revenue declined by 10.1% to RM3,272.5 million mainly due to unfavourable forex translation. At constant currency of FY'17, revenue remained stable driven by data revenue growth on the back of strong performance of 4G data business, partly offset with change go-to-market model of device in 2018. Excluding device revenue, mobile services grew by 9.5%. EBITDA improved 14.7% to RM794.7 million from lower operating cost. PAT registered a strong growth to RM103.4 million as compared to net loss of RM104.4 million in previous year, mainly due to a one-off intragroup gain in 2018 on the disposal of an associate company amounting to RM246.5 million.

- Sri Lanka: Total revenue improved by 2.2% for the year to RM2,715.4 million. At constant currency of FY'17, revenue growth would be 15.2%. Higher revenue coupled with well managed spending, EBITDA grew by 13.3% to RM1,081.8 million. Despite better top line, PAT however dropped by 38.9% to RM185.3 million compared to RM303.4 million in preceding year mainly due to higher depreciation, amortization and foreign exchange loss.

- Nepal: Revenue and EBITDA declined by 12.0% and 16.6% to RM2,113.5 million and RM1,301.1 million respectively. At constant currency of FY'17, revenue and EBITDA declined by 1.7% and 6.9% respectively, impacted by Telecommunication Services Charges implementation and ILD downward performance pressure. PAT dropped 2.4% to RM694.2 million as compared to previous year at RM711.4mn due to lower EBITDA partly offset with forex gain.

- Cambodia: Revenue for the year declined by 2.4% to RM1,159.7 million due to unfavorable forex translation. At FY'17 constant currency, revenue registered a growth of 5.0% supported by strong data segment growth. Lower revenue and higher operating cost, EBITDA declined by 7.7% to RM543.8 million. PAT decreased by 4.0% to RM272.3 million due to lower EBITDA coupled with higher depreciation.

- Malaysia (Infrastructure): Revenue and EBITDA registered a strong growth of 6.9% and 9.2% to record at RM1,530.7 million and RM684.2 million respectively. Despite higher depreciation charges and one-off asset written off, strong EBITDA resulting in PAT increased by 22.5% to RM208.4 million.

1. **Review of Performance (continued)**

(c) Comparison with Preceding Quarter's Result (Q4'18 vs Q3'18)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/12/2018	30/09/2018		
	RM'million	RM'million	RM'million	%
Revenue	6,267.0	6,003.5	263.5	4.4
EBITDA	2,083.5	2,171.0	(87.5)	-4.0
PAT	(2,020.7)	185.5	(2,206.2)	> -100
PATAMI	(1,661.9)	132.1	(1,794.0)	> -100

Group Performance

Compared to preceding quarter (Q4'18 vs Q3'18), Group revenue registered a growth of 4.4% to RM6,267.0 million, underpinned by better performance by all mobile operating companies in their respective markets except Sri Lanka. However, EBITDA dropped by 4.0% to RM2,083.5 million due to higher operational costs that included cost of "100,000 free smartphone" special campaign.

Q4'18 profit has been impacted by one-off assets written off/accelerated depreciation amounting to RM1,816.6 million. Consequently, Group PAT and PATAMI decreased significantly to record a net loss of RM2,020.7 million and PATAMI of RM1,661.9 million respectively.

Geographical Highlights

- Malaysia: Revenue grew by 5.7% to RM1,915.1 million, primarily driven by higher devices revenue from one-off "100,000 free smartphone" special campaign for selective long-term loyal customers in Q4'18. Consequently, EBITDA declined 4.5% to RM466.2 million. PAT dropped significantly to a net loss of RM216.7 million due to one-off assets written off/accelerated depreciation amounting RM358.4 million coupled with lower EBITDA. Excluding the one-off adjustment, Q4'18 PAT is at RM141.7 million.

- Indonesia: Revenue and EBITDA increased by 4.8% and 8.4% to RM1,717.2 million and RM683.0 million respectively. At constant currency of Q3'18, revenue and EBITDA grew by 4.1% and 7.6% respectively. Growth in revenue underpinned by solid growth of subscriber base to 54.9 million. Despite better topline, PAT dropped to a net loss of RM896.1 million mainly due to one-off assets written off amounting to RM892.3 million during the quarter. Excluding the one-off adjustment, Q4'18 PAT is almost breakeven.

- Bangladesh: Revenue for the quarter registered a growth of 2.7% to RM874.5 million. Consequently, EBITDA improved by 13.3% to RM247.1 million compared to preceding quarter. At constant currency of Q3'18, revenue and EBITDA grew by 0.7% and 11.0% respectively. PAT, however, dropped to a net loss of RM44.8 million as compared to net profit of RM235.6 million in prior quarter primarily driven by a one-off intragroup gain on disposal of associate amounting to RM246.5 million which was eliminated at the group level.

1. **Review of Performance (continued)**

(c) Comparison with Preceding Quarter's Result (Q4'18 vs Q3'18) (continued)

Geographical Highlights (continued)

- Sri Lanka: Total revenue for the current quarter dropped 4.2% to RM678.3 million due to unfavourable forex translation. At constant currency of Q3'18, revenue registered a growth of 2.4% supported by growth in data segment revenue. EBITDA dropped by 3.5% to RM273.4 million driven by declined in revenue partly offset with lower operating cost. Lower EBITDA coupled with higher depreciation resulting PAT declined to a marginal net loss of RM0.9 million as compared to net profit of RM43.3 million in previous quarter.

- Nepal: Revenue grew 2.9% to RM511.5 million driven by increased in both mobile revenue and ILD revenue. Despite growth in revenue, EBITDA for the quarter dropped 12.0% due to higher operating cost. At constant currency, revenue grew by 3.8% but EBITDA dropped 11.1%. Lower EBITDA coupled with one-off assets written off/accelerated depreciation, PAT declined by 19.4% to record a lower profit of RM145.6 million.

- Cambodia: Despite the price war and regulatory challenges, operation in Cambodia continued to deliver a strong revenue growth of 7.1% against the preceding quarter underpinned by higher data revenue. Consequently, EBITDA and PAT increased 7.3% and 2.9%.

- Malaysia (Infrastructure): Revenue grew by 0.6% compared to previous quarter. EBITDA, however, declined by 13.5% mainly due to higher staff cost. Lower EBITDA coupled with higher depreciation and forex loss, PAT declined to RM27.3 million as compared to RM83.0 net profit in previous quarter.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	4th Quarter Ended		Financial Year Ended	
	31/12/2018	31/12/2017	**31/12/2018**	31/12/2017
	RM'000	RM'000	**RM'000**	RM'000
EBIT *	658,696	799,140	3,049,259	3,243,906
Adjusted Tax 24%	(158,087)	(191,794)	(731,822)	(778,537)
Share of results and loss on dilutions of associates	9,774	(126,547)	(428,398)	(404,254)
NOPLAT	510,383	480,799	1,889,039	2,061,115
AIC *	43,202,807	44,211,688	43,202,807	44,211,688
WACC	8.64%	7.77%	8.64%	7.77%
Economic Charge (AIC*WACC)	933,181	858,812	3,732,723	3,435,248
Economic Profit	**(422,798)**	(378,013)	**(1,843,684)**	(1,374,133)

* *Exclude provision for loss of Idea adjusted by the Group, write-off, impairment and accelerated depreciation of property, plant and equipment during the current quarter and financial year to date.*

The EP Statement is as prescribed under the Government Linked Companies Transformation Program and it is disclosed on a voluntary basis.

EP is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The factor contributing to lower NOPLAT during the current quarter and financial year to date is mainly contributed by lower EBIT achieved by the Group as disclosed in Part B, Note 1(a) and (b) of this announcement.

The Group recorded a higher WACC during the current quarter and financial year to date mainly resulted from higher cost of equity as a result of higher market risk premium.

Note:

EBIT	=	EBITDA less depreciation, impairment and amortisation
NOPLAT	=	Net Operating Profit/Loss After Tax
AIC	=	Average Invested Capital, consist of average operating capital, average net PPE, and average net other operating assets
WACC	=	Weighted Average Cost of Capital is calculated as weighted average cost of debt and equity taking into account proportion of debt position and market capitalisation at end of the period.

2. Headline Key Performance Indicators ("KPIs") for the financial year ended 31 December 2018

On 22 February 2018, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2018. The Group's 2018 Headline KPIs announced were as below:

Headline KPIs	**FY 2018 Statutory**	FY2018 Headline KPIs	**FY2018 Achievement**	FY2018 Headline KPIs	**FY2018 Achievement**
	Post MFRS 15 & 9 @ actual currency	Pre MFRS 15 & 9 @ Bloomberg rate		Pre MFRS 15 & 9 @ constant currency	
Revenue Growth (%)	**-2.1%**	Flat	**-4.4%**	6.3%	**3.7%**
EBITDA Growth (%)	**-9.7%**	Flat	**-6.1%**	5.8%	**2.0%**
Return on Invested Capital ("ROIC") (%)	**1.3%**	4.8% - 5.2%	**5.4%**	5.0% - 5.5%	**5.6%**
Return on Capital Employed ("ROCE") (%)	**1.2%**	4.1% - 4.6%	**4.7%**	4.5% - 5.0%	**4.9%**

Note: Constant rate is based on the FY17 Average Forex Rate (e.g. 1 USD = RM4.30), Bloomberg rate is based on 2018 Forex Forecast as at 24th January 2018 (e.g. 1 USD = RM3.90).

FY2018 has been a challenging year for the Group. On a Statutory basis, the Group posted Revenue and EBITDA of -2.1% and -9.7% year-on-year, while ROIC and ROCE stood at 1.3% and 1.2% respectively.

Externally, the Group was materially affected by the strengthening of the Malaysian Ringgit (MYR) which resulted in lower translated results, as well as from the adoption of Malaysian Financial Reporting Standards 15 and 9 ("MFRS 15 and 9"). The Group also recorded losses from Idea investments and one-off assets write-off due to modernization and technical obsolescence.

From August 2018, the Group has guided the market based on Adjusted Headline KPIs, which excludes the impact from Deodar (cancellation of acquisition in Pakistan) uplift and Idea related losses. On a like for like basis, the Group's FY2018 underlying achievement is above the Adjusted Headline KPIs (post normalisation from forex translation losses, MFRS 15 and 9, all Idea related losses, assets write-off and restructuring costs i.e. Celcom Employee Life Plan "ELP").

Adjusted Headline KPIs	FY2018 Adjusted Headline KPIs	**FY2018 Underlying Achievement**
	(Pre MFRS 15 & 9 @ constant currency)	
Revenue Growth (%)	2.8%	**3.7%**
EBITDA Growth (%)	1.7%	**2.0%**
ROIC (%)	5.0% - 5.5%	**5.6%**
ROCE (%)	4.3% - 4.8%	**4.9%**

On the back of a declining industry in Malaysia, Celcom gained revenue market share in FY2018. XL weathered the SIM registration impact significantly better than peers, with topline growth in a contracting Indonesian market, demonstrating its successful transformation agenda and uplift from its expansion outside Java. Dialog and Robi recorded impressive Revenue and EBITDA growth, whilst Ncell, Smart and e.co continued to deliver excellent performance. The digital business however impacted the Group's profitability but tracking better than expected.

Overall, Axiata recorded a good underlying performance, pushed by its Group-wide cost initiatives which delivered RM1.5bn optimization - well ahead of FY2018 target of RM1.4bn, in this difficult year.

3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial year ended 31 December 2018.

4. Taxation

The taxation charge for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2018	31/12/2017	**31/12/2018**	31/12/2017
	RM'000	RM'000	**RM'000**	RM'000
Income tax	773,979	439,611	1,416,671	1,126,075
Zakat	**-**	929	**-**	929
Deferred tax	(464,040)	(132,263)	(515,119)	(353,255)
Total taxation	**309,939**	308,277	**901,552**	773,749

The current quarter's effective tax rate of the Group is lower than the statutory tax rate is mainly due to lower taxable income incurred during the current quarter.

The financial year to date's effective tax rate of the Group is lower than the statutory tax rate is mainly due to provision of loss on its investment in an associate and high non-deductible expenses incurred.

5. Status of Corporate Proposals

(a) Subscription Agreement for shares in edotco Pakistan (Private) Limited

On 30 August 2017, edotco Investments (Labuan) Limited (“edotco Labuan”), a wholly owned subsidiary of edotco Group, had entered into a Subscription Agreement (“SA”) with Dawood Hercules Corporation Limited (“DH Corp”) for the subscription of shares in edotco Pakistan (Private) Limited (“edotco PK”), a wholly owned subsidiary of edotco.

Under the SA, edotco Labuan and DH Corp will respectively subscribe to 955,260,813 and 1,743,000,000 of edotco PK shares of PKR10 each (“Proposed Subscription”) at consideration of USD154.7 million (equivalent to RM660.6 million) and USD166.0 million (equivalent to RM708.7 million) respectively (“Subscription Monies”). The Subscription Monies including the initial equity injection by edotco Labuan of USD19.2 million (equivalent to RM82.2 million) shall be used to partially fund the acquisition of Deodar (Private) Limited (“Deodar”) which owns and operates approximately 13,000 of Pakistan Mobile Communications Limited (“PMCL”) tower portfolio, the largest in Pakistan. Upon closing of the Proposed Subscription, edotco Labuan and DH Corp will respectively hold 55% and 45% interest in edotco PK.

On 4 May 2018, Pakistan Telecommunication Authority approved the Proposed Subscription.

(b) Acquisition of Sabay Digital Plus Co. Ltd (“SDP”)

Smart Axiata Co., Ltd (“Smart”), had on 9 October 2017 entered into the following agreements in relation to its investments in SDP:

(a) Convertible Loan Agreement with SDP under which Smart will make available a loan facility of USD1.5 million to SDP which is convertible to ordinary shares in SDP; and

(b) Call Option Agreement with SDP and Sabay Digital Pte. Ltd (“SDG”) for the acquisition of additional SDP shares from SDG as follows:

- (i) Such number of SDP Shares (“Top Up Shares”) resulting with the aggregate number of SDP Shares held by Smart is equivalent to 30% of the issued and paid up capital of SDP; and
- (ii) All or part of the remaining issued and paid up capital of SDP (“Balance Shares”) from SDG at a price to be agreed by the parties.

(c) Proposed Subscription of Shares in Mekong Tower Company Limited (“MTCL”)

edotco Investments (Labuan) Limited (“edotco Labuan”), a wholly owned subsidiary of edotco Group Sdn Bhd, had on 29 January 2019 entered into a Share Subscription Agreement (“SSA”) with Mr. Viphet Sihachakr (“VS”) and MTCL for the subscription by edotco Labuan of 25,600 ordinary shares of LAK500,000 each representing 80.0% of the enlarged issued and paid-up share capital of MTCL for a total cash consideration of LAK12,800,000,000 (equivalent to RM6,080,000) (“Proposed Subscription”).

5. Status of Corporate Proposals (continued)

(d) Proposed Disposal of Entire Equity Stake in M1 Limited ("M1")

On 15 February 2019, the Group via its wholly-owned subsidiary, Axiata Investments (Singapore) Limited ("AISL") accepted the Voluntary Conditional General Offer made by Konnectivity Pte. Ltd. ("Offeror") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers on 27 September 2018 ("Offer") to acquire all the issued and paid-up ordinary shares in the capital of M1 (excluding treasury shares) other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees.

The acceptance of the Offer constitutes a disposal by AISL of its entire stake in M1 comprising 265,410,150 ordinary shares (equivalent to 28.67% of the issued and paid-up share capital of M1) at the offer price of SGD2.06 ("Proposed Disposal") based on terms stipulated in the offer documents dated 7 January 2019.

Other than the above, there is no other corporate proposal announced but not completed as at 15 February 2019.

6. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 31 December were as follows:

	2018		2017	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	912,254	55,622	93,502	299,356
Unsecured	3,562,201	14,590,931	4,294,168	14,496,963
Total	**4,474,455**	**14,646,553**	4,387,670	14,796,319

(b) Foreign currency borrowings and debt securities in RM equivalent as at 31 December were as follows:

Foreign Currencies	**2018**	2017
	RM'000	RM'000
USD	8,882,108	9,735,843
IDR	3,648,248	3,036,317
BDT	1,102,683	1,004,076
SLR	376,279	353,484
Others	54,816	10,521
Total	**14,064,134**	14,140,241

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 31 December are set out as follow:

Type of derivatives financial instruments	2018		2017	
	Notional value	**Fair value favorable/ (unfavorable)**	Notional value	Fair value favorable/ (unfavorable)
	RM'000	**RM'000**	RM'000	RM'000
Cross currency interest rate swaps:				
- < 1 year	-	(8,454)	202,375	41,771
- 1 - 3 years	2,432,138	(39,834)	2,367,788	(69,816)
- > 3 years	1,263,880	(131,056)	1,230,440	(116,061)
Interest rate swaps contracts:				
- < 1 year	-	-	136,752	379
Call spread contracts:				
- < 1 year	1,247,250	228,229	-	-
- 1 - 3 years	-	-	1,214,250	135,434
Put option liabilities over shares held by a non-controlling interests:				
- < 1 year	(145,513)	(145,513)	(141,662)	(141,662)
- 1 - 3 years	(1,527,832)	(1,527,832)	(1,255,284)	(1,255,284)
Convertible warrants in an associate:				
- < 1 years	19,251	8,343	-	-
- < 3 years	-	-	19,251	8,343
Total		**(1,616,117)**		(1,396,896)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2017 Audited Financial Statements.

8. Fair value changes of financial liabilities

The Group recognised a total net losses in the consolidated profit or loss arising from the fair value changes on the derivatives financial instruments which are marked to market as at date of statement of financial position are as follow:

	4th Quarter Ended		**Financial Year Ended**	
	31/12/2018	31/12/2017	**31/12/2018**	31/12/2017
	RM'000	RM'000	**RM'000**	RM'000
Total net losses	**(89,051)**	(13,388)	**(129,637)**	(89,863)

9. Material Litigation

The status of material litigation of the Group is as follows:

(a) Celcom Trading Sdn Bhd (formerly known as Rego Multi-Trades Sdn Bhd) ("Celcom Trading") vs Aras Capital Sdn Bhd ("Aras Capital") & Tan Sri Dato' Tajudin Ramli ("TSDTR")

In 2005, Celcom Trading, a wholly-owned subsidiary of Celcom Resources (formerly known as Technology Resources Industries Berhad), commenced proceedings against Aras Capital and TSDTR for amounts due to Celcom Trading of RM261.8 million as at 30 November 2004 (subsequently amended to RM264.5 million) together with interest and costs for breach of an investment agreement and a supplemental agreement by Aras Capital and an indemnity letter given by TSDTR ("Main Suit 1").

Aras Capital was wound up by order of Court on 27 May 2005 vide Kuala Lumpur High Court Winding Up Petition No: D7-28-145-2005. In view of the winding up order against Aras Capital, Celcom Trading decided to pursue the matter only against TSDTR. On 13 May 2005, TSDTR filed his defence and instituted a counterclaim against Celcom Trading, Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) ("Celcom Resources") and its directors for, amongst others, RM100.0 million and a declaration that the investment agreement, the supplemental agreement and the indemnity letter are void or to be rescinded ("TSDTR's Counterclaim").

On 20 June 2016, the Court allowed Celcom Trading's claim under the Main Suit 1 of RM264.5 million with interest at 5% per annum from 13 May 2013 until full settlement and dismissed TSDTR's Counterclaim with costs of RM100,000.00 after full trial ("Judgment").

TSDTR appeals to the Court of Appeal and thereafter leave to appeal to the Federal Court against the Judgment were dismissed. With the dismissal, TSDTR has no other avenue to appeal further and the case is concluded.

On 8 May 2018, a Receiving Order and Adjudication Order ("AORO") was obtained against TSDTR which adjudged him as a bankrupt in the execution proceedings against him. Following the AORO, a proof of debt for TSDTR was filed on 25 July 2018. The Insolvency Department is now addressing the outstanding debts and will follow through the necessary process in realizing his assets towards repayment of the outstanding debts.

(b) Celcom Axiata Berhad [formerly known as Celcom (Malaysia) Berhad] & Another vs TSDTR & 6 Others

On 24 October 2008, Celcom and Celcom Resources commenced proceedings against five (5) of its former directors, namely (i) TSDTR, (ii) Dato' Bistaman bin Ramli ("BR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), and (v) Oliver Tim Axmann ("OTA") (the Defendants named in items (iv) and (v) collectively referred to as the "German Directors"), as well as (vi) DeTeAsia Holding GmbH ("DeTeAsia") and (vii) Beringin Murni Sdn. Bhd. (collectively with the German Directors referred to as "Defendants").

9. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Celcom Axiata Berhad [formerly known as Celcom (Malaysia) Berhad] & Another vs TSDTR & 6 Others (continued)

Celcom and Celcom Resources are seeking for damages for conspiracy against the Defendants. Celcom and Celcom Resources claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and Celcom Resources by causing and/or committing Celcom and Celcom Resources to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("the 2002 Supplemental Agreement") and the Amended and Restated Supplemental Agreement dated 4 April 2002 with DeTeAsia ("the ARSA") in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources in favour of TSDTR and BR ("Main Suit 2").

Separately, Celcom and Celcom Resources reached an amicable settlement with DLKY and the said companies filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 23 June 2016, TSDTR and BR filed a statement of defence ("Defence for Main Suit 2") and counterclaim against Celcom, Celcom Resources and Telekom Malaysia Berhad ("TM") seeking inter alia payment of the sum of RM6,246,492,000.00 or alternatively the sum of RM7,214,909,224.01 together with interest, being the amount claim by TSDTR in his counterclaim in Kuala Lumpur High Court Suit No. D2-22-673-2006 ("Danaharta Suit") which was withdrawn pursuant to a purported global settlement and damages ("TSDTR and BR's Counterclaim for Main Suit 2"). The German Directors filed their respective defence on 30 June 2016.

Subsequently TM application to intervene in Main Suit 2 ("TM Intervening Application") was allowed in light of the allegations made against TM in TSDTR and BR's Counterclaim for Main Suit 2.

The trial and TSDTR and BR's Counterclaim for Main Suit 2 commenced on 22 January 2018 whereby Datuk Azzat Kamaludin, Tan Sri Abdul Rahman, Encik Shamsudin Rasom, Puan Suryani, Puan Zunika and Dr. Jim Lai of Messrs. Grant Thornton and Emily Choo of Messrs KPMG (expert witnesses) were called as witnesses to give evidence on behalf of Celcom and Celcom Resources. The Plaintiffs' case is closed on 21 November 2018.

The First and Second Defendants had commenced their case on 28 November 2018 whereby Datuk Bazlan Osman, Putri Nor Shariza, Ng Swee Kee and Jenny Chok were subpoenaed to give evidence. The trial will continue on 18 March 2019 and onwards whereby the First and Second Defendants will be calling Dato' Zamzamzairani Mohd Isa, Tan Sri Azman Bin Mokhtar, Dato' Lim Kheng Yew, Tan Sri Dato' Tajudin Bin Ramli, Dato' Bistamam Bin Ramli, Mohamed Nazri Bin Abdul Aziz and Tun Daim Zainuddin.

9. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Celcom Axiata Berhad [formerly known as Celcom (Malaysia) Berhad] & Another vs TSDTR & 6 Others (continued)

In view of the AORO obtained against TSDTR and BR in execution of the judgment obtained in the Kuala Lumpur High Court Civil Suit No. S3-22-370-2004 the Kuala Lumpur High Court Civil Suit No. S3-22-370-2004 ("the Golden Handshake Suit"), hearing of the trial were adjourned pending Celcom and Celcom Resources application for leave to continue action against TSDTR and BR ("Leave") and filing of application for sanction by TSDTR and BR to defend the case and continue with the Counterclaim ("Sanction"). To date, the Leave and Sanction were granted and obtained by the respective parties. The Court has fixed the following dates for continued trial:

November 2018	: 12-14, 21 and 28
December 2018	: 4-5, 10 and 13
January 2019	: 4 and 24
March 2019	: 18-21
April 2019	: 25, 29-30
May 2019	: 13-16
June 2019	: 18-20 and 25-28
July 2019	: 30-31
August 2019	: 7, 13-15
September 2019	: 11-13

(c) Celcom & Another vs TSDTR & 8 Others

On 28 April 2006, Celcom and Celcom Resources commenced proceedings (i) against nine (9) of its former directors, namely (i) TSDTR, (ii) BR, (iii) DLKY, (iv) Dieter Sieber ("DS"), (v) Frank-Reinhard Bartsch ("FRB"), (vi) Joachim Gronau ("JG"), (vii) Joerg Andreas Boy ("JAB"), (viii) AH, and (ix) OTA (the Defendants named in items (iv) and (v) collectively referred to as the "German Directors") (collectively referred to as "Defendants").

The claim is to indemnify Celcom and Celcom Resources for the sums paid to DeTeAsia in satisfaction of the award granted in August 2005 ("Award") handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris ("ICC") and the Defendants breach of their fiduciary duties by causing Celcom Resources to enter into a Subscription Agreement dated 25 June 1996 with Deutsche Telekom AG ("the Subscription Agreement"), and Celcom and Celcom Resources to enter into the ARSA with TR International Ltd and DeTeAsia whilst they were directors of Celcom and Celcom Resources.

In addition, Celcom and Celcom Resources have also made a claim (ii) against TSDTR only, for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements ("Main Suit 3").

9. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(c) Celcom & Another vs TSDTR & 8 Others (continued)

In brief, Celcom and Celcom Resources are seeking for the following:

(a) A declaration that the Defendants have acted in breach of their fiduciary duties and are liable to indemnify Celcom in relation to the sums paid out to DeTeAsia pursuant to the Award where the ICC found Celcom to be liable for the following:
   i. The sum of USD177,243,609 being the principal sum plus USD16,252,139 representing interest at the rate of 8% for the period from 16.10.2002 to 27.6.2003;
   ii. The cost of arbitration amounting to USD820,000; and
   iii. The sum of USD1,800,000 representing the legal costs.

(b) Damages for various breaches of fiduciary duties committed by them in relation to the entry into the Subscription Agreement and the ARSA.

(c) The unauthorized profits claimed to have been made by TSDTR, amounting to RM446,038,141.09.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

Subsequently TM application to intervene in Main Suit 2 ("TM Intervening Application") was allowed in light of the allegations made against TM in TSDTR and BR's Counterclaim for Main Suit 2.

The trial and TSDTR and BR's Counterclaim for Main Suit 2 commenced on 22 January 2018 whereby Datuk Azzat Kamaludin, Tan Sri Abdul Rahman, Encik Shamsudin Rasom, Puan Suryani, Puan Zunika, and Dr. Jim Lai of Messrs. Grant Thornton and Emily Choo of Messrs KPMG (expert witness) were called as witnesses to give evidence on behalf of Celcom and Celcom Resources. The Plaintiffs' case is closed on 21 November 2018.

The First and Second Defendants had commenced their case on 28 November 2018 whereby Datuk Bazlan Osman, Putri Nor Shariza, Ng Swee Kee and Jenny Chok were subpoenaed to give evidence. The trial will continue on 18 March 2019 and onwards whereby the First and Second Defendants will be calling Dato' Zamzamzairani Mohd Isa, Tan Sri Azman Bin Mokhtar, Dato' Lim Kheng Yew, Tan Sri Dato' Tajudin Bin Ramli, Dato' Bistamam Bin Ramli, Mohamed Nazri Bin Abdul Aziz and Tun Daim Zainuddin.

9. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(c) Celcom & Another vs TSDTR & 8 Others (continued)

In view of the AORO obtained against TSDTR and BR in execution of the judgment obtained in the Kuala Lumpur High Court Civil Suit No. S3-22-370-2004 the Kuala Lumpur High Court Civil Suit No. S3-22-370-2004 (“the Golden Handshake Suit”), hearing of the trial were adjourned pending Celcom and Celcom Resources application for leave to continue action against TSDTR and BR (“Leave”) and filing of application for sanction by TSDTR and BR to defend the case and continue with the Counterclaim (“Sanction”). To date, the Leave and Sanction were granted and obtained by the respective parties. The Court has fixed the following dates for continued trial:

November 2018	: 12-14, 21 and 28
December 2018	: 4-5, 10 and 13
January 2019	: 4 and 24
March 2019	: 18-21
April 2019	: 25 and 29-30
May 2019	: 13-16
June 2019	: 18-20 and 25-28
July 2019	: 30-31
August 2019	: 7, 13-15
September 2019	: 11-13

(d) Writ petition filed by 6 individuals against Ncell Private Limited, Reynolds Holdings Limited, Axiata Investments (UK) Limited, Large Tax Payers’ Office, Inland Revenue Department, Nepal Rastra Bank, Department of Industry, Industry and Investment Promotion Board, Nepal Telecommunications Authority, Sunivera Capital Ventures Pvt. Ltd. and the Office of Company Registrar

A public interest litigation (“PIL”) has been filed at the Supreme Court of Nepal (“SC”) alleging that Ncell Private Limited (“Ncell”) and its holding companies through Reynolds Holdings Limited (“Reynolds”) and Axiata Investments (UK) Limited (“AIUK”), have evaded their tax liabilities and that the tax authority of the Government of Nepal has been complicit in this matter.

The petitioners have demanded various prayers, including demanding an order mandating collection of outstanding gains tax from Ncell and AIUK. The Writ petition was filed on 28 January 2018 by 6 individuals, which includes a retired Secretary of the Government of Nepal and a former acting Auditor General. The petitioners inter alia prayed that writ of mandamus be issued ordering the Large Taxpayer’s Office to collect the outstanding gains tax from Ncell, Reynolds and AIUK, and that the transfer or repatriation of dividend be prevented until this amount is collected.

The Supreme Court in its (verbal) ruling on 6 February 2019 issued the writ in the PIL filed by Dwarikanath Dhungel and others for ordering Large Taxpayer’s Office to collect the outstanding gains tax around NPR 61,000,000,000 excluding late fees and fines from Ncell and AIUK. In the absence of a written judgment, Ncell and AIUK is awaiting the full judgment to gain more clarity.

9. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(e) Robi vs National Board of Revenue ("NBR") (Judicial Review against NBR's demand amounting to BDT 9,244,985,130 on 3 May 2018)

NBR issued 5 show cause cum demand notices to Robi. Robi filed writ petitions on 3 May 2018 to challenge these claims. The details are as below. The NBR referred the matter to the Directorate General of Audit Intelligence and Investigation to re-examine the claims and as such, Robi is not pursing the writ petitions.

(i) The 1st show-cause cum demand notice for USD 88,977,649/ BDT7,118,211,917 was issued based on the credit balance of VAT payable GL (General Ledger) and VAT Return and VAT payable for the period from 2013 to 2016. While conducting its audit, NBR asked for month on month movement of output and withholding GL from Systems, Applications and Products i.e., SAP (Opening, debit balance during the month, credit balance during the month and closing balance). Robi had submitted the required documents. The NBR just considered the total credit balance of SAP GL as payable and compared it with VAT return without considering the documents / explanation submitted by Robi.

(ii) The 2nd show-cause cum demand notice for USD 11,381,250/ BDT910,500,0000 alleges unpaid VAT on merger and spectrum fee. NBR has collected merger fee/spectrum information from BTRC in relation to merger directly, thereafter arbitrarily calculated VAT without considering Robi's documents and information regarding actual payment to BTRC. This issue has already been covered in item A nevertheless NBR still arbitrarily made the same claim separately.

(iii) The 3rd show-cause cum demand notice for USD 206,448/ BDT16,515,802 is to claim that VAT is payable on Interconnection charge from Bangladesh Telecommunications Limited (BTCL) for 2012. The output VAT for BTCL service to customer is centrally collected by NBR and that BTCL cannot adjust input VAT on interconnection charge payable to Robi/Multinational Organizations (MNOs). Therefore, BTCL does not pay the VAT on same to Robi/MNOs. BTCL & MNOs are pursuing to NBR for resolving the issue but the issue is still long pending. This issue has already been covered in item A nonetheless NBR still arbitrarily made the same claim separately.

(iv) The 4th show-cause cum demand notice for USD 446,330/ BDT35,706,349 is to claim that VAT is payable on Interconnection charge from BTCL for 2013 to 2016 - Issue is same as item 3 above but relating to different period (2013-2016).

(v) The 5th show-cause cum demand notice for USD 14,550,639/ BDT1,164,051,062 is for VAT Rebate cancellation on imported telecom items. NBR directly collected imports information from Customs Authority, then cancelled few imported items such as battery, switch, cable, router, system, etc. on arbitrary basis. These are the integral parts of machineries and spare parts.

Re-examination of the claims by Directorate General of Audit Intelligence and Investigation are still ongoing.

10. Update on Memorandum of Understanding ("MOU") pursuant to paragraph 9.29, Chapter 9 of the Main LR

There is no MOU entered by the Group during the current quarter and financial year to date.

11. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of receivables, inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial year to date.

12. Earnings Per Share ("EPS")

(a) Basic EPS

	4th Quarter Ended		Financial Year Ended	
	31/12/2018	31/12/2017	**31/12/2018**	31/12/2017
(Loss)/Profit attributable to owners of the Company (RM'000)	(1,661,923)	24,725	(5,034,573)	909,480
Adjusted weighted average number of shares ('000)	9,089,476	9,026,335	9,058,640	8,992,086
Basic EPS (sen)	**(18.3)**	0.3	**(55.6)**	10.1

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the current quarter and financial year to date.

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	4th Quarter Ended		Financial Year Ended	
	31/12/2018	31/12/2017	**31/12/2018**	31/12/2017
(Loss)/Profit attributable to owners of the Company (RM'000)	(1,661,923)	24,725	(5,034,573)	909,480
Weighted average number of ordinary shares in issue ('000)	9,089,476	9,026,335	9,058,640	8,992,086
Adjusted for ESOS and RSA ('000)	23,176	37,192	29,005	35,344
Weighted average number of ordinary shares for the purpose of computing diluted EPS ('000)	9,112,652	9,063,527	9,087,645	9,027,430
Diluted EPS (sen)	**(18.2)**	0.3	**(55.4)**	10.1

13. Qualification of Preceding Audited Financial Statements

The 2017 Audited Financial Statements were not subject to any qualification.

14. Dividend Proposed

The Board of Directors have resolved a tax exempt dividend under single tier system of 4.5 sen (2017: 3.5 sen) per ordinary share of the Company in respect of financial year ended 31 December 2018. Full year dividend declared for the financial year ended 2018 is 9.5 sen (2017: 8.5 sen).

The Board of Directors also determined that the DRS of the Company will be applicable on the proposed Dividend whereby shareholders will be given the option to elect to reinvest the whole or part of the dividend into new Shares of the Company. The authority for Directors of the Company to allot and issue new Shares pursuant to the DRS has been obtained at the Company's Annual General Meeting ("AGM") held on 23 May 2018 which authority shall continue until the conclusion of the next AGM of the Company. The approval of Bursa Securities for the listing of and quotation for the new Shares to be issued pursuant to the DRS will be sought in due course. Decision of Bursa Securities on the above and the Book Disclosure Date will be announced by the Company separately.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
22 February 2019