MAXIS BERHAD

(867573 - A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

ANNOUNCEMENT

The Board of Directors of Maxis Berhad ("Maxis" or "the Company") is pleased to announce the following condensed consolidated financial statements for the fourth quarter ended 31 December 2018 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the audited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED 31/12/2018 (Unaudited)	QUARTER ENDED 31/12/2017 (Unaudited)	+ -	**YEAR ENDED 31/12/2018 (Audited)**	YEAR ENDED 31/12/2017 (Audited)	+ -
	Note	**RM'm**	RM'm (Restated)	%	**RM'm**	RM'm (Restated)	%
Revenue	3	**2,445**	2,376	+3	**9,192**	9,419	-2
Traffic, commissions and other direct costs		**(883)**	(804)		**(3,010)**	(3,118)	
Spectrum licence fees		**(64)**	(57)		**(244)**	(198)	
Network costs		**(280)**	(190)		**(884)**	(787)	
Staff and resource costs		**(174)**	(146)		**(606)**	(576)	
Operation and maintenance costs		**(213)**	(107)		**(470)**	(342)	
Marketing costs		**(62)**	(35)		**(211)**	(160)	
Impairment of receivables and deposits, net		**(42)**	(29)		**(120)**	(94)	
Government grant and other income		**66**	81		**226**	272	
Other operating expenses		**(45)**	(38)		**(92)**	(122)	
Depreciation and amortisation		**(305)**	(282)		**(1,068)**	(1,033)	
Finance income		**16**	12		**45**	61	
Finance costs		**(95)**	(94)		**(389)**	(445)	
Profit before tax	20	**364**	687	-47	**2,369**	2,877	-18
Tax expenses	21	**(98)**	(146)		**(589)**	(698)	
Profit for the period/year		**266**	541	-51	**1,780**	2,179	-18
Attributable to:							
- equity holders of the Company		**266**	541	-51	**1,780**	2,179	-18
Earnings per share attributable to equity holders of the Company (sen):							
- basic	28	**3.4**	6.9		**22.8**	28.5	
- diluted	28	**3.4**	6.9		**22.7**	28.4	

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2018 (Unaudited)	QUARTER ENDED 31/12/2017 (Unaudited)	**YEAR ENDED 31/12/2018 (Audited)**	YEAR ENDED 31/12/2017 (Audited)
	RM'm	RM'm (Restated)	**RM'm**	RM'm (Restated)
Profit for the year	**266**	541	**1,780**	2,179
Other comprehensive (expense)/income				
Item that will be reclassified subsequently to profit or loss:				
Net change in cash flow hedge	**(1)**	2	**(1)**	(32)
Total comprehensive income for the year	**265**	543	**1,779**	2,147
Attributable to equity holders of the Company	**265**	543	**1,779**	2,147

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 31/12/2018 RM'm	AS AT 31/12/2017 RM'm (Restated)
Non-current assets			
Property, plant and equipment	9	5,189	4,841
Intangible assets [1]		10,926	10,926
Financial assets at fair value through other comprehensive income ("FVOCI")		4	-
Receivables, deposits and prepayments	25	1,018	887
Derivative financial instruments	24	1	2
Deferred tax assets		1	8
		17,139	16,664
Current assets			
Inventories		16	5
Receivables, deposits and prepayments	25	2,056	1,810
Amounts due from related parties		30	30
Tax recoverable		4	23
Deposits, cash and bank balances		560	602
		2,666	2,470
Total assets		19,805	19,134
Current liabilities			
Provisions for liabilities and charges		116	111
Payables and accruals		4,020	3,311
Amounts due to related parties		5	25
Borrowings	23	201	206
Derivative financial instruments	24	*	1
Taxation		199	291
		4,541	3,945
Net current liabilities		(1,875)	(1,475)

Note:

[1] Comprises telecommunications licenses with allocated spectrum rights and goodwill of RM10,707 million and RM219 million respectively, arising from acquisition of subsidiaries.

* Less than RM1 million.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	AS AT 31/12/2018 RM'm	AS AT 31/12/2017 RM'm (Restated)
Non-current liabilities			
Provisions for liabilities and charges		**312**	170
Payables and accruals		**168**	227
Borrowings	23	**7,439**	7,440
Deferred tax liabilities		**196**	407
		8,115	8,244
Net assets		**7,149**	6,945
Equity			
Share capital		**2,509**	2,469
Reserves		**4,640**	4,476
Total equity		**7,149**	6,945
Net assets per share (RM)		**0.91**	0.89

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31/12/2018	Share capital	Merger relief [2]	Reserve arising from reverse acquisition	Other reserves	Retained earnings	Total equity
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Balance as at 31/12/2017, as previously reported	2,469	22,729	(22,729)	151	4,422	7,042
Adjustments from adoption of MFRS 15	-	-	-	-	(97)	(97)
Restated balance as at 31/12/2017	2,469	22,729	(22,729)	151	4,325	6,945
Opening balance adjustments from adoption of MFRS 9	-	-	-	-	(27)	(27)
Restated balance as at 1/1/2018	2,469	22,729	(22,729)	151	4,298	6,918
Profit for the year	-	-	-	-	1,780	1,780
Other comprehensive income for the year	-	-	-	(1)	-	(1)
Total comprehensive income for the year	-	-	-	(1)	1,780	1,779
Dividends for the financial year ended 31 December 2017	-	-	-	-	(390)	(390)
Dividends for the financial year ended 31 December 2018	-	-	-	-	(1,173)	(1,173)
Employee Share Option Scheme ("ESOS") and Long-term Incentive Plan ("LTIP"):						
- share-based payment expense	-	-	-	19	-	19
- shares issued	40	-	-	(39)	-	1
- share options lapsed	-	-	-	(6)	6	-
Incentive arrangement:						
- share-based payment income	-	-	-	(1)	-	(1)
- shares acquired	-	-	-	(4)	-	(4)
Balance as at 31/12/2018	2,509	22,729	(22,729)	119	4,521	7,149

Note:

[2] Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries during the financial year ended 31 December 2009 is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31/12/2017	Share capital	Share premium	Merger relief [(2)]	Reserve arising from reverse acquisition	Other reserves	Retained earnings	Total equity
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Balance as at 31/12/2016, as previously reported	751	62	22,729	(22,729)	145	3,763	4,721
Adjustments from adoption of MFRS 15	-	-	-	-	-	(84)	(84)
Restated balance as at 1/1/2017	751	62	22,729	(22,729)	145	3,679	4,637
Transition to no par value regime[(3)]	62	(62)	-	-	-	-	-
Profit for the year	-	-	-	-	-	2,179	2,179
Other comprehensive expense for the year	-	-	-	-	(32)	-	(32)
Total comprehensive (expense)/income for the year	-	-	-	-	(32)	2,179	2,147
Issuance of new shares, net of expenses	1,655	-	-	-	-	-	1,655
Dividends for the financial year ended 31 December 2016	-	-	-	-	-	(376)	(376)
Dividends for the financial year ended 31 December 2017	-	-	-	-	-	(1,157)	(1,157)
ESOS and LTIP:							
- share-based payment expense	-	-	-	-	37	-	37
- shares issued	1	*	-	-	*	-	1
Incentive arrangement:							
- share-based payment expense	-	-	-	-	4	-	4
- shares acquired	-	-	-	-	(3)	-	(3)
Restated balance as at 31/12/2017	2,469	-	22,729	(22,729)	151	4,325	6,945

Notes:

(2) Pursuant to Section 60(4)(a) of the previous Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries in the financial year ended 31 December 2009 is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

(3) Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

* Less than RM1 million.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED 31/12/2018 RM'm	YEAR ENDED 31/12/2017 RM'm (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**1,780**	2,179
Adjustments for:		
- non-cash items	**1,417**	1,209
- finance costs	**389**	445
- finance income	**(45)**	(61)
- tax expenses	**589**	698
Payments for provision for liabilities and charges	**(105)**	(98)
Operating cash flows before working capital changes	**4,025**	4,372
Changes in working capital	**137**	(370)
Cash flows from operations	**4,162**	4,002
Interest received	**25**	36
Tax paid	**(856)**	(671)
Net cash flows from operating activities	**3,331**	3,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,413)**	(1,492)
Proceeds from disposal of property, plant and equipment	**2**	5
Purchase of financial assets at FVOCI	**(4)**	-
Placement of deposits with maturity of more than three months	**(1)**	(3)
Net cash flows used in investing activities	**(1,416)**	(1,490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to Private Placement	**-**	1,655
Proceeds from issuance of shares pursuant to ESOS	**1**	1
Shares acquired pursuant to incentive arrangement	**(4)**	(3)
Drawdown of borrowings	**-**	744
Repayment of borrowings	**-**	(2,415)
Repayment of lease financing	**(6)**	(7)
Payments of finance costs	**(386)**	(402)
Ordinary share dividends paid	**(1,563)**	(1,533)
Net cash flows used in financing activities	**(1,958)**	(1,960)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(43)**	(83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**579**	662
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR[(4)]	**536**	579

Note:

(4) The difference between the cash and cash equivalents and deposits, cash and bank balances represent deposits with financial institutions that carry maturity periods of more than three months.

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

1. BASIS OF PREPARATION

The quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements") and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the audited condensed consolidated financial statements.

The significant accounting policies and methods adopted for the audited condensed consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2017, except for changes arising from the adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from Contracts with Customers" as described below:

(a) Adoption of MFRS 9 "Financial Instruments"

MFRS 9 replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

(i) Classification and measurement of financial instruments

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVPL") and FVOCI. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at FVPL with the irrevocable option at inception to present changes in FVOCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

MFRS 9 retains most of the MFRS 139 requirements for classification and measurement of financial liabilities. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of profit or loss, unless this creates an accounting mismatch.

1. BASIS OF PREPARATION (CONTINUED)

(a) Adoption of MFRS 9 "Financial Instruments" (continued)

(ii) Impairment of financial assets

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group assesses on a forward-looking basis the ECLs associated with its financial assets classified at amortised cost and contract assets under MFRS 15 "Revenue from Contracts with Customers". The impairment methodology applied depends on whether there has been a significant increase in credit risk.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group's financial assets and financial liabilities, except that the Group's allowance for impairment has increased by RM36 million as at 1 January 2018 as a result of applying the ECL model on receivables, deposits and contract assets. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening retained earnings of the current period/year.

(b) Adoption of MFRS 15 "Revenue from Contracts with Customers"

The Group has adopted MFRS 15 in the current financial period/year. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

1. BASIS OF PREPARATION (CONTINUED)

(b) Adoption of MFRS 15 "Revenue from Contracts with Customers" (continued)

MFRS 15 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The main changes are explained below:

(i) Sale of device as part of bundled telecommunication service package

MFRS 15 requires devices which the Group promises to transfer as part of a bundled package with mobile telecommunication services to be considered distinct and thus accounted for as a separate performance obligation. As a result, total consideration received from such package are allocated to the service and device based on relative stand-alone selling prices. This results in an allocation and early recognition of a portion of telecommunication service revenue as device revenue, an earlier recognition of customer acquisition cost which was capitalised as intangible asset previously as loss on device sale in the month of acquisition and subsequently, a reduction in service revenue throughout the contract period.

A contract asset is recognised when the Group delivers the devices before the payment is due. If the payment happens before the delivery of device, then a contract liability is recognised. Contract assets and contract liabilities are presented within receivables and payables respectively in the statement of financial position.

(ii) Costs incurred to obtain or fulfil a contract

Under MFRS 15, the Group capitalises sales commissions as costs to obtain a contract with a customer when they are incremental and expected to be recovered over more than a year. These costs are presented as contract cost assets within receivables and are amortised consistently with the transfer of the good or service to the customer. If the expected amortisation period is one year or less, then the costs are expensed when incurred. Previously, the sales commissions were recognised in the statement of profit or loss and the device costs were capitalised as intangible assets.

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt the full retrospective approach, requiring the restatement of the comparative period/year presented in the financial statements. Refer to Note 1(c) for the adjustments made to the comparative figures.

1. BASIS OF PREPARATION (CONTINUED)

(c) Restatement of comparative figures

(i) Reconciliation of profit or loss and comprehensive income

	QUARTER ENDED 31/12/2017			YEAR ENDED 31/12/2017		
	Previously reported	Effects of MFRS 15	Restated	Previously reported	Effects of MFRS 15	Restated
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Revenue	2,150	226	2,376	8,696	723	9,419
Traffic, commissions and other direct costs	(448)	(356)	(804)	(1,955)	(1,163)	(3,118)
Depreciation and amortisation	(383)	101	(282)	(1,418)	385	(1,033)
Other income and expenses (net)	(609)	6	(603)	(2,429)	38	(2,391)
Profit before tax	710	(23)	687	2,894	(17)	2,877
Tax expenses	(151)	5	(146)	(702)	4	(698)
Profit for the period/year attributable to equity holders of the Company	559	(18)	541	2,192	(13)	2,179
Total comprehensive income for the period/year attributable to equity holders of the Company	561	(18)	543	2,160	(13)	2,147
Earnings per share attributable to equity holders of the Company (sen):						
- basic	7.2		6.9	28.6		28.5
- diluted	7.2		6.9	28.6		28.4

1. BASIS OF PREPARATION (CONTINUED)

(c) Restatement of comparative figures (continued)

(ii) Reconciliation of financial position and equity

	AS AT 31/12/2017		
	Previously reported	Effects of MFRS 15	Restated
	RM'm	RM'm	RM'm
Non-current assets			
Intangible assets	11,354	(428)	10,926
Receivables, deposits and prepayments	802	85	887
Other non-current assets	4,851	-	4,851
	17,007	(343)	16,664
Current assets			
Receivables, deposits and prepayments	1,582	228	1,810
Other current assets	660	-	660
	2,242	228	2,470
Total assets	19,249	(115)	19,134
Current liabilities			
Payables and accruals	3,299	12	3,311
Other current liabilities	634	-	634
	3,933	12	3,945
Non-current liabilities			
Deferred tax liabilities	437	(30)	407
Other non-current liabilities	7,837	-	7,837
	8,274	(30)	8,244
Net assets	**7,042**	**(97)**	**6,945**
Equity			
Share capital	2,469	-	2,469
Reserves	4,573	(97)	4,476
Total equity	**7,042**	**(97)**	**6,945**

1. BASIS OF PREPARATION (CONTINUED)

(c) Restatement of comparative figures (continued)

(iii) Reconciliation of cash flows

	YEAR ENDED 31/12/2017		
	Previously reported	Effects of MFRS 15	Restated
	RM'm	RM'm	RM'm
Cash flows from operating activities			
Profit for the year	2,192	(13)	2,179
Adjustments for:			
- non-cash items	1,880	(385)	1,495
- tax expenses	702	(4)	698
Operating cash flows before working capital changes	4,774	(402)	4,372
Changes in working capital	(317)	(53)	(370)
Cash flow from operations	4,457	(455)	4,002
Other cash flows from operating activities	(635)	-	(635)
Net cash flows from operating activities	3,822	(455)	3,367
Cash flows from investing activities			
Purchase of intangible assets	(455)	455	-
Other cash flows from investing activities	(1,490)	-	(1,490)
Net cash flows used in investing activities	(1,945)	455	(1,490)
Cash flows from financing activities			
Net cash flows used in financing activities	(1,960)	-	(1,960)
Net change in cash and cash equivalents	**(83)**	**-**	**(83)**
Cash and cash equivalents at the beginning of the financial year	**662**	**-**	**662**
Cash and cash equivalents at the end of the financial year	**579**	**-**	**579**

1. BASIS OF PREPARATION (CONTINUED)

The adoption of the following amendments to MFRS and Issues Committee ("IC") Interpretation that came into effect on 1 January 2018 did not have any significant impact on the audited condensed consolidated financial statements upon their initial application.

• Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transaction
• IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

MFRS, amendments and improvements to MFRSs and IC Interpretation that are applicable to the Group but not yet effective

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC Interpretation, all of which are effective for the financial period/year beginning on or after 1 January 2019. The Group did not early adopt these new standards, amendments and improvements to MFRSs and IC Interpretation:

(i) The followings are not expected to have a significant effect on the consolidated financial statements of the Group:

• Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
• Annual Improvements to MFRSs 2015 – 2017 Cycle	
• IC Interpretation 23	Uncertainty over Income tax Treatments

(ii) MFRS 16 "Leases" ("MFRS 16")

MFRS 16 supersedes MFRS 117 "Leases" and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration, thus eliminating classification of leases by the lessee as either finance leases (on statements of financial position) or operating leases (off statements of financial position).

MFRS 16 requires the lessee to:

- recognise a 'right-of-use' of the underlying asset, which is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment"; and
- lease liability reflecting future lease payments, which is accreted over time with interest expense recognised in the statement of profit or loss.

1. BASIS OF PREPARATION (CONTINUED)

MFRS, amendments and improvements to MFRSs and IC Interpretation that are applicable to the Group but not yet effective (continued)

(ii) MFRS 16 "Leases" ("MFRS 16") (continued)

The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured on transition as if the new rules had always been applied.

Arising from the above, the Group estimates the below impact to its consolidated financial statements:

a) Movements in the following balances on 1 January 2019:
   - increase in lease liabilities by approximately RM1,120 million; and
   - decrease in retained earnings by approximately RM40 million.

b) Right-of-use assets of approximately RM1,050 million will be presented in the statements of financial position.

On the statements of profit or loss, EBITDA as defined in Note 16 is expected to improve as operating lease rentals which were previously recorded as expenses within EBITDA, will be replaced by interest expense on lease liabilities (included within finance cost) and amortisation of the right-of-use assets.

On the statements of cash flows, operating cash flows is expected to increase, with a corresponding increase in financing cash outflows, as repayment of the principal portion of the lease liabilities will be classified as cash outflows from financing activities.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements.

2. SEASONAL / CYCLICAL FACTORS

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

3. REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2018	QUARTER ENDED 31/12/2017	**YEAR ENDED 31/12/2018**	YEAR ENDED 31/12/2017
	RM'm	RM'm (Restated)	**RM'm**	RM'm (Restated)
Telecommunications and digital services	**2,074**	2,057	**8,157**	8,365
Sale of devices	**371**	319	**1,035**	1,054
Total	**2,445**	2,376	**9,192**	9,419

Goods or services transferred:				
- at a point in time	**1,005**	1,037	**3,703**	4,149
- over time	**1,440**	1,339	**5,489**	5,270
Total	**2,445**	2,376	**9,192**	9,419

4. UNUSUAL ITEMS

Save for those disclosed in Note 16, there were no other significant unusual items affecting the assets, liabilities, equity, net income or cash flows for the financial year ended 31 December 2018.

5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial year ended 31 December 2018, except for:

(a) the change in basis of allowance for impairment of receivables as disclosed in Note 1(a); and

(b) the change in discount rate used to derive the Asset Retirement Obligation ("ARO") provision. This has resulted in an increase in ARO provision by RM122 million.

6. DEBT AND EQUITY SECURITIES

Save for the issuance of 6,033,300 and 53,200 ordinary shares under LTIP and ESOS respectively, there were no other issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the financial year ended 31 December 2018.

7. DIVIDENDS PAID

The following single-tier tax exempt dividend payments were made during the financial year ended 31 December 2018:

	RM'm
In respect of the financial year ended 31 December 2017:	
- Fourth interim at 5.0 sen per ordinary share, paid on 29 March 2018	**390**
In respect of the financial year ended 31 December 2018:	
- First interim at 5.0 sen per ordinary share, paid on 28 June 2018	**391**
- Second interim at 5.0 sen per ordinary share, paid on 27 September 2018	**391**
- Third interim at 5.0 sen per ordinary share, paid on 27 December 2018	**391**
	1,563

8. SEGMENT REPORTING

Segment reporting is not presented as the Group is primarily engaged in providing integrated telecommunication services in Malaysia.

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the financial year ended 31 December 2018. As at 31 December 2018, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no material events subsequent to the end of the financial year up to the date of this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year ended 31 December 2018.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the normal course of business, there are contingent liabilities arising from legal recourse sought by the Group's customers or vendors and indemnities given to financial institutions on bank guarantees. There were no material losses anticipated as a result of these transactions.

13. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of reporting date but not recognised as liabilities is as follows:

	RM'm
Property, plant and equipment	225

14. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions, balances and commitments described below were carried out in the ordinary course of business and on agreed commercial terms with the related parties.

	Transactions for the financial year ended 31/12/2018	Balances due from/(to) as at 31/12/2018	Commitments as at 31/12/2018	Total balances due from/(to) and commitments as at 31/12/2018
	RM'm	RM'm	RM'm	RM'm
(a) Sales of goods and services to:				
- MEASAT Broadcast Network Systems Sdn. Bhd. (1) (telephony and broadband services)	87	21	-	21

14. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Transactions for the financial year ended 31/12/2018 RM'm	Balances due from/(to) as at 31/12/2018 RM'm	Commitments as at 31/12/2018 RM'm	Total balances due from/(to) and commitments as at 31/12/2018 RM'm
(b) Purchases of goods and services from:				
- MEASAT Global Berhad Group[2] (transponder and teleport lease rental)	58	(2)	(71)	(73)
- Tanjong City Centre Property Management Sdn. Bhd.[3] (rental, signage, parking and utility charges)	31	-	(184)	(184)
- UTSB Management Sdn. Bhd.[3] (corporate management services)	27	-	(21)	(21)
- SRG Asia Pacific Sdn. Bhd.[4] (call handling and telemarketing services)	14	(2)	-	(2)
- MBNS Multimedia Technologies Sdn. Bhd. and/or its related corporations[1] (goods and services)	-	-	(3)	(3)

Notes:

The Group has entered into the above related party transactions with parties whose relationships are set out below.

Usaha Tegas Sdn. Bhd. ("UTSB"), Saudi Telecom Company and Harapan Nusantara Sdn. Bhd. are parties related to the Company, by virtue of having joint control over Binariang GSM Sdn. Bhd. ("BGSM"), pursuant to a shareholders' agreement in relation to BGSM. BGSM is the ultimate holding company of the Company.

The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in all of the shares of the Company in which UTSB has an interest, PanOcean does not have any economic or beneficial interest in the shares of the Company, as such interest is held subject to the terms of the discretionary trust.

(1) Subsidiary of a company which is an associate of UTSB
(2) Subsidiary of a company in which TAK has a 100% direct equity interest
(3) Subsidiary of UTSB
(4) Subsidiary of a company whereby a person connected to TAK has a deemed equity interest

15. FAIR VALUE MEASUREMENTS

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 31 December 2018 except as set out below, measured using Level 3 valuation technique:

	CARRYING AMOUNT	FAIR VALUE
	RM'm	RM'm
Financial asset:		
Receivables, deposits and prepayments	187	183
Financial liability:		
Borrowings		
- finance lease liabilities	1	1
- Islamic Medium Term Notes	4,144	4,197

(b) Financial instruments carried at fair value

The following table represents the assets measured at fair value, using the respective valuation techniques, as at 31 December 2018:

	Level 2	Level 3
	RM'm	RM'm
Derivative financial instruments (interest rate swap and forward foreign exchange contracts):		
- assets	1	-
Financial assets at FVOCI	-	4

16. ANALYSIS OF PERFORMANCE

Financial indicators (RM'm unless otherwise indicated)	4th Quarter 2018 (unaudited)	3rd Quarter 2018 (unaudited)	4th Quarter 2017[1] (unaudited)	Variance Q4'18 vs Q3'18		Variance Q4'18 vs Q4'17	
				RM'm	%	RM'm	%
Revenue	**2,445**	2,264	2,376	181	8	69	3
Service revenue[2]	**2,048**	2,027	2,036	21	1	12	1
EBITDA[3]	**762**	1,025	1,061	(263)	(26)	(299)	(28)
Adjusted for:							
Unrealised foreign exchange (gains)/ losses	***(9)***	*7*	*(29)*				
Upfront spectrum assignment ("SA") fees charged out[4]	***15***	*15*	*14*				
Normalised EBITDA	**768**	1,047	1,046	(279)	(27)	(278)	(27)
Normalised EBITDA margin on service revenue (%)	**37.5**	51.7	51.4	NA	(14.2)	NA	(13.9)
Profit before tax	**364**	677	687	(313)	(46)	(323)	(47)
Profit for the period	**266**	513	541	(247)	(48)	(275)	(51)
Adjusted for:							
Unrealised foreign exchange (gains)/losses	***(9)***	*7*	*(29)*				
Tax effects of the normalisation adjustments	***2***	*(2)*	*7*				
Normalised profit for the period	**259**	518	519	(259)	(50)	(260)	(50)
Capital expenditure ("Capex")	**524**	195	382	329	>100	142	37
Free cash flow	**217**	600	476	(383)	(64)	(259)	(54)

Notes:
(1) The comparative results were restated due to the adoption of MFRS 15.
(2) Service revenue is defined as Group revenue excluding device, hubbing revenue and network income.
(3) Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.
(4) Charge out of SA renewal costs prepaid for license period.

16. ANALYSIS OF PERFORMANCE (CONTINUED)

Operational indicators	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2017(1)	Variance Q4'18 vs Q3'18		Variance Q4'18 vs Q4'17	
				'000	%	'000	%
Revenue generating subscriptions ("RGS") ('000)	**9,868**	9,835	10,002	33	*	(134)	(1)
- Postpaid	***3,135***	*3,055*	*2,853*	*80*	*3*	*282*	*10*
- Prepaid	***6,610***	*6,639*	*6,997*	*(29)*	*	*(387)*	*(6)*
- Wireless Broadband	***123***	*141*	*152*	*(18)*	*(13)*	*(29)*	*(19)*
ARPU (Monthly) (RM)							
- Postpaid	***94***	*93*	*96*	*1*	*1*	*(2)*	*(2)*
- Prepaid	***42***	*42*	*41*	*-*	*-*	*1*	*2*
- Wireless Broadband	***92***	*86*	*79*	*6*	*7*	*13*	*16*
- Blended	***59***	*58*	*57*	*1*	*2*	*2*	*4*

Notes:
(1) The comparative information was restated due to the adoption of MFRS 15.
* Less than 1%.

(A) Performance of the current quarter against the preceding quarter (4th Quarter 2018 versus 3rd Quarter 2018)

For the quarter ended 31 December 2018, service revenue grew by 1.0% to RM2,048 million from RM2,027 million.

Postpaid service revenue grew by 2.8% to RM1,053 million (Q3'18: RM1,025 million) on account of higher RGS base. Postpaid RGS grew by 80k, contributed by the growth in the MaxisONE Plan subscriber base. The growth in Postpaid was primarily driven by the strong demand for our innovative device and value-accretive propositions. Our Hotlink Postpaid Flex and our MaxisONE Share offerings continued to attract entry level Postpaid subscribers, as well as those migrating from Prepaid to Postpaid. Postpaid ARPU was stable at RM94 for the quarter.

Prepaid service revenue remained stable at RM845 million (Q3'18: RM851 million). Prepaid RGS slightly declined by 29k to 6.61 million subscribers. We continue SIM consolidation and migration from Prepaid to Postpaid. The Hotlink Red Prepaid pack continued to show positive traction, attracting high mobile internet users, as we enhanced our use of data analytics to create value for our customers. Our mobile internet revenue continued to grow, contributing to 61.1% of Prepaid revenue for the quarter. Prepaid ARPU was stable at RM42 per month.

16. ANALYSIS OF PERFORMANCE (CONTINUED)

(A) Performance of the current quarter against the preceding quarter (4th Quarter 2018 versus 3rd Quarter 2018) (continued)

Demand for data continued to grow across all customer segments and the Group ended the quarter with 7.6 million 4G LTE device owners (Q3'18: 7.2 million). Blended smartphone penetration stood at 85% against 84% in the previous quarter and blended data usage increased to an average 10.9GB (Q3'18: 10.7GB). The Group's superior 4G LTE network, at 93% population coverage on a comparable peer basis with unmatched speed and video experience, remains a key differentiator for digital lifestyle seekers. The Group achieved a high touch point net promoter (HTP-NP) score of +53.

Normalised EBITDA decreased by 26.6% to RM768 million with a 37.5% normalised EBITDA margin on service revenue for Q4'18, against RM1,047 million and 51.7% respectively in the previous quarter Q3'18 impacted by one-offs of approximately RM250 million. The Group launched its Fibrenation programme to gain the first mover advantage in Home Fibre business, which includes repricing and migration initiatives, new modems, marketing campaigns and additional resources to support the high volumes of subscriptions. Additionally, the Group invested the necessary resources in Enterprise segment to accelerate initiatives which are critical in setting the right foundation for growth in future years. As part of our on-going network improvement effort to maintain a high level of customer experience, network expenses also increased for the quarter. The Group also invested into a multiyear productivity programme to optimize its operating model and cost structure.

Consequently, the Group reported a lower normalised profit of RM259 million compared to RM518 million in the preceding quarter.

Capex for the current quarter increased to RM524 million (Q3'18: RM195 million) largely due to Capex phasing as we continued to invest in network capacity to support our strong data traffic growth, investment in Home Fibre and Enterprise growth.

Free cash flow decreased to RM217 million (Q3'18: RM600 million) mainly as a result of the Capex spend.

(B) Performance of the current quarter against the preceding year corresponding quarter (4th Quarter 2018 versus 4th Quarter 2017)

Service revenue for Q4'18 of RM2,048 million was 0.6% higher than Q4'17 of RM2,036 million mainly due to the 10% growth in Postpaid RGS plus Home Fibre RGS, offsetting the 6% decline in Prepaid RGS.

Postpaid service revenue grew by 6.0% to RM1,053 million (Q4'18) compared to RM994million (Q4'17). The growth was supported by the solid subscription base increase of 282k more Postpaid RGS to 3,135k (Q4'17: 2,853k) as we continued to offer innovative device and shared line propositions. Hotlink Postpaid Flex and MaxisONE Share continued to be strong catalysts driving incremental port-ins of entry-level Postpaid subscribers. Postpaid ARPU moderated marginally to RM94 (Q4'17: RM96) against a larger subscription base that has now firmly exceeded 3 million subscribers.

16. ANALYSIS OF PERFORMANCE (CONTINUED)

(B) Performance of the current quarter against the preceding year corresponding quarter (4th Quarter 2018 versus 4th Quarter 2017) (continued)

Prepaid service revenue declined 6.4% to RM845 million (Q4'18) from RM903 million (Q4'17) on the back of a lower subscription base which was impacted by the continued SIM consolidation, migration from Prepaid to Postpaid and price competition. Mobile internet revenue remained high at 61.1% of Prepaid revenue which contributed to the stable and high ARPU of RM42. This was supported by our enhanced and expanded use of data analytics for segmental and personalised offerings, which attracted high data users.

Data consumption continued to increase with blended data usage almost doubling from a monthly average for the quarter of 6.7GB (Q4'17) a year ago to 10.9GB (Q4'18). The Group continued to lead the market in terms of quality and best digital experience. As mentioned above, the Group maintained our high touch point net promoter score of +53 compared to +53 (Q4'17).

Normalised EBITDA (Q4'18) declined 26.6% to RM768 million with a margin on service revenue of 37.5% against RM1,046 million (Q4'17) and 51.4% respectively impacted by increased costs which include one-offs of approximately RM250 million mentioned earlier.

Consequently, normalised profit for the quarter declined to RM259 million (Q4'17: RM519 million).

Capex for the current quarter was 37.2% higher at RM524 million (Q4'17: RM382 million) mainly due to additional investment for network capacity to support our strong data traffic growth, investment in Home Fibre and Enterprise growth.

Free cash flow for the quarter was RM217 million, compared to RM476 million in Q4'17.

16. ANALYSIS OF PERFORMANCE (CONTINUED)

(C) Performance of the current year against the preceding year (Year 2018 versus Year 2017)

Financial indicators (RM'm unless otherwise indicated)	YTD 2018	YTD 2017[(1)]	Variance	% Variance
Revenue	**9,192**	9,419	(227)	(2)
Service revenue[(2)]	**8,068**	8,271	(203)	(2)
EBITDA[(3)]	**3,799**	4,307	(508)	(12)
Adjusted for:				
Unrealised foreign exchange gains	***(16)***	*(78)*		
Service fee reduction [(4)]	**-**	*(62)*		
Upfront SA fees charged out [(5)]	***60***	*28*		
Normalised EBITDA	**3,843**	4,195	(352)	(8)
Normalised EBITDA margin on service revenue (%)	**47.6**	50.7	NA	(3.1)
Profit before tax	**2,369**	2,877	(508)	(18)
Profit for the year	**1,780**	2,179	(399)	(18)
Adjusted for:				
Unrealised foreign exchange gains	***(16)***	*(78)*		
Service fee reduction [(4)]	**-**	*(62)*		
Tax effects of the normalisation adjustments	***4***	*34*		
Normalised profit for the year	**1,768**	2,073	(305)	(15)
Capex	**1,038**	1,029	9	1
Free cash flow	**1,523**	1,468	55	4

Notes:
(1) The comparative results were restated due to the adoption of MFRS 15.
(2) Service revenue is defined as Group revenue excluding device, hubbing revenue and network income.
(3) Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.
(4) Write back of service fees accrued for prior years which are no longer required.
(5) Charge out of SA renewal costs prepaid for license period.

16. ANALYSIS OF PERFORMANCE (CONTINUED)

(C) Performance of the current year against the preceding year (Year 2018 versus Year 2017) (continued)

Operational indicators	Year 2018	Year 2017[1]	Variance	% Variance
RGS ('000)	**9,868**	10,002	(134)	(1)
- Postpaid	***3,135***	*2,853*	*282*	*10*
- Prepaid	***6,610***	*6,997*	*(387)*	*(6)*
- Wireless Broadband	***123***	*152*	*(29)*	*(19)*
ARPU (Monthly) (RM)				
- Postpaid	***93***	*96*	*(3)*	*(3)*
- Prepaid	***42***	*42*	*-*	*-*
- Wireless Broadband	***86***	*74*	*12*	*16*
- Blended	***58***	*56*	*2*	*4*

Note:
(1) The comparative information was restated due to the adoption of MFRS 15.

The Group recorded a FY'18 service revenue of RM8,068 million which represents a 2.5% decline, compared to FY'17 service revenue of RM8,271 million. The decline in Prepaid service revenue was partially offset by the growth in Postpaid and Home Fibre business service revenue

Postpaid service revenue grew 5.1% to RM4,072 million (FY'17: RM3,873 million) supported by a solid subscription base that has exceeded 3 million subscribers. The Group added 282k new subscribers with a stable and high ARPU of RM93 per month in the year under review.

Prepaid service revenue declined by 11.4% to RM3,399 million (FY'17: RM3,838 million), mainly attributed to a lower subscription base due to continued SIM consolidation, our migration to Postpaid initiatives and price competition. ARPU remained high and stable at RM42 per month.

Data growth continued with the average blended data usage almost doubling from 5.4GB to 9.6GB per month. This was supported by the increase in smart-phone penetration which stood at 85% on a blended basis. The Group continued to differentiate with its expanded 4G LTE network at 93% population coverage on a comparable peer basis, enabling customers to enjoy high speed and unmatched digital experience.

Normalised EBITDA for FY'18 declined by RM352 million to RM3,843 million (FY'17: RM4,195 million) and EBITDA margin on service revenue decreased to 47.6% (FY'17: 50.7%), mainly as a result of declined service revenue and increased costs including one-offs as mentioned earlier.

Consequently, normalised profit for the full year was lower by 14.7% at RM1,768 million (FY'17: RM2,073 million).

16. ANALYSIS OF PERFORMANCE (CONTINUED)

(C) Performance of the current year against the preceding year (Year 2018 versus Year 2017) (continued)

Capex of RM1,038 million for the full year was generally at the same level with the preceding year (FY'17: RM1,029 million). Investment into network capacity continues to be a priority with new focus areas in Home Fibre and Enterprise.

Strong free cash flow for the current year at RM1,523 million, an increase of 4% compared to RM1,468 million in the preceding FY'17 mainly due to a new productivity programme and enhanced working capital management, both delivering initial benefits.

(D) STATEMENT OF FINANCIAL POSITION

Financial indicators (RM'm unless otherwise indicated)	AS AT 31/12/2018	AS AT 31/12/2017 (Restated)
Total assets	19,805	19,134
Total equity	7,149	6,945
Debt [(1)]	7,639	7,644
Deposits, cash and bank balances	560	602
Net debt	7,079	7,042
Net debt-to-EBITDA	1.86	1.63

Note:
[(1)] Debt includes derivative financial instruments designated for hedging relationship on borrowings but excludes vendor financing.

The increase in total assets was mainly due to capex investments.

The net earnings for the financial year under review, after a total 20 sen dividend distribution increases the equity of the Group to above RM7 billion mark. Net debt-to-EBITDA increased from 1.63x as at 31 December 2017 to 1.86x as at 31 December 2018 on the back of lower EBITDA.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

The market is expected to remain competitive and Maxis continues to focus on maintaining its strong leadership position by leveraging on its strong 4G Network and expanding its presence in the Fixed Broadband market in both Consumer and Enterprise.

In the mobiles market we will focus on building upon our core offerings and in the Consumer and Enterprise segments with innovative new solutions and services. In the Fixed Broadband market we will focus on executing new access agreements with access providers, migrating our existing base to new price points and higher speeds and providing new innovative offerings to both Consumer and Enterprise customers and increased bundling.

Notwithstanding the above actions and strong fundamentals in our core mobile business, there are a few key items impacting the Group in year 2019:

- the impact of changes to a major wholesale network sharing agreement;
- dilution in Fibre ARPU from the new competitive priced plans and the cost of customer migration initiative coupled with increase in cost to serve; and
- increase in cost of business from Sales & Service Tax introduction.

After incorporating the effects above, and the implementation of MFRS 16 as disclosed in Note 1, our guidance for the financial year ending 31 December 2019 is:

- service revenue and EBITDA to decline by low single digit and mid-single digit respectively;
- core network capital expenditure to be around RM1 billion plus capex supporting new growth opportunities in Broadband and Enterprise business (around RM1 billion over 3 years); and
- operating free cash flow at similar level to year 2018.

In view of the change in regulatory environment and market opportunities, the Group is implementing a significant change in strategic direction building on its strong mobile base to deliver its internal annual service revenue target in excess of RM10 billion by year 2023. The Group's vision is to be Malaysia's leading converged communications and digital services organization; achieved through maintaining its leadership in core consumer mobile, taking advantage of its 1st mover position in Fibre and offering differentiated and customised solutions to Enterprise Business segments.

18. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast.

19. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2017.

20. PROFIT BEFORE TAX

The following items have been charged/(credited) in arriving at the profit before tax:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2018	QUARTER ENDED 31/12/2017	**YEAR ENDED 31/12/2018**	YEAR ENDED 31/12/2017
	RM'm	RM'm	**RM'm**	RM'm
Fair value (gains)/losses on forward foreign exchange contracts	(1)	5	*	13
Losses/(gains) on foreign exchange	4	(15)	12	(59)
Property, plant and equipment:				
- gain on disposal	(2)	(1)	(2)	(5)
- write offs/impairment losses	17	12	21	18
Reversal of contract obligation provision	-	(4)	-	(4)

Other than as presented in the statements of profit or loss and as disclosed above, there were no material gains/losses on disposal of quoted and unquoted investments or properties and other exceptional items for the current quarter and financial year ended 31 December 2018.

Notes:
* Less than RM1 million

21. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2018	QUARTER ENDED 31/12/2017	**YEAR ENDED 31/12/2018**	YEAR ENDED 31/12/2017
	RM'm	RM'm (Restated)	**RM'm**	RM'm (Restated)
Income tax:				
- current tax	132	129	782	788
- under accrual in prior years	-	-	1	20
Deferred tax:				
- origination and reversal of temporary differences	(34)	17	(191)	(91)
- reversal of prior years' temporary differences	-	-	(3)	(19)
Total	98	146	589	698

21. TAX EXPENSES (CONTINUED)

The Group's effective tax rates for the current quarter and financial year ended 31 December 2018 were 26.9% and 24.9% respectively, higher than the statutory tax rate of 24% mainly due to certain expenses not deductible for tax purposes.

22. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed.

23. BORROWINGS

The borrowings as at 31 December 2018 versus 31 December 2017 are as follows:

	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2017		
RM denominated	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm
Secured						
Finance lease liabilities	1	-	1	6	1	7
Unsecured						
Revolving credit	200	-	200	200	-	200
Term loan[1]	-	1,000	1,000	-	1,000	1,000
Commodity Murabahah Term Financing	-	2,295	2,295	-	2,295	2,295
Islamic Medium Term Notes	-	4,144	4,144	-	4,144	4,144
	201	7,439	7,640	206	7,440	7,646
Weighted average interest rate of borrowings			4.77%			4.67%
Proportion of borrowings between fixed and floating interest rates			61% : 39%			61% : 39%

Note:
(1) The term loan facility has been partially hedged using Interest Rate Swap ("IRS") as disclosed in Note 24.

There were no material changes to borrowings for the financial year ended 31 December 2018.

23. BORROWINGS (CONTINUED)

Material changes to borrowings for the financial year ended 31 December 2017 were:

(a) The Company repaid its USD and SGD borrowings and their underlying Cross Currency Interest Rate Swap ("CCIRS") totalling to RM1,461 million;

(b) Maxis Broadband Sdn. Bhd. ("MBSB"), a wholly-owned subsidiary of the Company, entered into loan facility agreements with financial institutions for USD50 million (equivalent to RM222 million) and SGD70 million (equivalent to RM222 million) term loans. It had also entered into corresponding CCIRS contracts to hedge against exchange and interest rates fluctuation on these loans. These loans were subsequently repaid in full during the year;

(c) MBSB partially repaid its revolving credit by RM300 million;

(d) MBSB partially repaid its Commodity Murabahah Term Financing facilities by RM210 million; and

(e) MBSB issued its fourth series of the Unrated Islamic Medium Term Notes ("Sukuk Murabahah") for a nominal value of RM300 million. Total nominal value of Sukuk Murabahah issued as at 31 December 2017 amounted to RM4,090 million.

24. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 December 2018 are set out below:

TYPE OF DERIVATIVE	CONTRACT/ NOTIONAL VALUE	FAIR VALUE
	RM'm	RM'm
Derivatives designated in hedging relationship (cash flow hedge):		
IRS:		
- more than three years	500	1
Forward foreign exchange contracts:		
- less than one year	24	*
	524	1
Derivatives not designated in hedging relationship:		
Forward foreign exchange contracts:		
- less than one year	23	*
	547	1

Note:
* Less than RM1 million.

There have been no changes since the end of the previous financial year ended 31 December 2017 in respect of the following:
(i) the market risk and credit risk associated with the derivatives;
(ii) the cash requirements of the derivatives;
(iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
(iv) the related accounting policies.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair values of the derivative financial instruments relating to the IRS and forward foreign exchange contracts using a valuation technique which utilises data from recognised financial information sources. Assumptions are based on market conditions existing at each reporting date. The fair values of IRS are calculated as the present value of estimated future cash flow using an appropriate market-based yield curve. The fair values of forward foreign exchange contracts are determined using the forward exchange rates as at each reporting date.

25. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	AS AT 31/12/2018 RM'm	AS AT 31/12/2017 RM'm (Restated)
Non-current assets		
At net of impairment:		
- Finance lease receivables	14	-
- Contract assets	165	130
Prepayments	786	735
Contract cost assets, net of amortisation	53	22
	1,018	887
Current assets		
At net of impairment:		
- Trade receivables	710	719
- Other receivables and deposits	709	507
- Finance lease receivables	7	-
- Contract assets	403	369
Prepayments	159	156
Contract cost assets, net of amortisation	68	59
	2,056	1,810
	3,074	2,697

The Group's credit policy provides trade receivables with credit periods of up to 60 days. In addition, selected eligible customers are allowed to purchase devices on monthly installment scheme up to 24 months.

The ageing analysis of the Group's gross trade receivables as at 31 December 2018 is as follows:

	RM'm
Current	601
1 to 90 days past due	149
91 to 180 days past due	60
	810

26. MATERIAL LITIGATION

There is no material litigation as at 8 February 2019.

27. DIVIDENDS

(a) Interim dividend

The Board of Directors has declared a fourth interim single-tier tax-exempt dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2018, to be paid on 28 March 2019. The entitlement date for the dividend payment is 4 March 2019.

A depositor shall qualify for entitlement to the dividend only in respect of:

(i) shares transferred to the depositor's securities account before 4.00 pm on 4 March 2019 in respect of transfers; and

(ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) Final dividend

The Board of Directors do not recommend payment of any final dividend in respect of the financial year ended 31 December 2018.

The total dividends for the financial year ended 31 December 2018 is 20.0 sen per ordinary share (2017: 20.0 sen).

28. EARNINGS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/12/2018	QUARTER ENDED 31/12/2017	**YEAR ENDED 31/12/2018**	YEAR ENDED 31/12/2017
			(Restated)		(Restated)
(a) Basic earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	**266**	541	**1,780**	2,179
Weighted average number of issued ordinary shares	('m)	**7,814**	7,809	**7,812**	7,661
Basic earnings per share	(sen)	**3.4**	6.9	**22.8**	28.5
(b) Diluted earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	**266**	541	**1,780**	2,179
Weighted average number of issued ordinary shares	('m)	**7,814**	7,809	**7,812**	7,661
Adjusted for share options and LTIP	('m)	**19**	20	**19**	20
Adjusted weighted average number of ordinary shares	('m)	**7,833**	7,829	**7,831**	7,681
Diluted earnings per share	(sen)	**3.4**	6.9	**22.7**	28.4

By order of the Board

Dipak Kaur
(LS 5204)
Company Secretary
15 February 2019
Kuala Lumpur