FINANCIAL STATEMENTS

FINANCIAL PERFORMANCE

The Directors hereby submit their Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the Group, comprising the Company and its subsidiaries, are the provision of mobile, fixed line and international gateway telecommunications services as well as internet and broadband services, and corporate support functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- equity holders of the Company	1,856,299	2,337,652
- non-controlling interest	4,220	–
Profit for the financial year	1,860,519	2,337,652

DIVIDENDS

The dividends on ordinary shares paid by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2011:	
(a) Fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share on 7,500,000,000 ordinary shares of RM0.10 each, paid on 30 March 2012	600,000
(b) Final single-tier tax-exempt dividend of 8.0 sen per ordinary share on 7,500,000,000 ordinary shares of RM0.10 each, paid on 22 June 2012	600,000
	1,200,000
In respect of the financial year ended 31 December 2012:	
(a) First interim single-tier tax-exempt dividend of 8.0 sen per ordinary share on 7,500,000,000 ordinary shares of RM0.10 each, paid on 29 June 2012	600,000
(b) Second interim single-tier tax-exempt dividend of 8.0 sen per ordinary share on 7,500,480,200 ordinary shares of RM0.10 each, paid on 28 September 2012	600,038
(c) Third interim single-tier tax-exempt dividend of 8.0 sen per ordinary share on 7,500,568,900 ordinary shares of RM0.10 each paid on 28 December 2012	600,046
	1,800,084

DIVIDENDS (CONTINUED)

Subsequent to the financial year, on 26 February 2013, the Directors declared a fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012 which will be paid on 29 March 2013. The financial statements for the financial year ended 31 December 2012 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2013.

The Directors recommend the payment of a final single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012, which is subject to shareholders' approval at the forthcoming Annual General Meeting, and will be paid on a date to be determined.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from 7,500,000,000 ordinary shares of RM0.10 each to 7,500,572,900 ordinary shares of RM0.10 each by the issuance of 572,900 new ordinary shares for cash pursuant to the exercise of share options under the Employee Share Option Scheme ("ESOS"), detailed as follows:

Number of issued and paid-up ordinary shares of RM0.10 each	Exercise price per share
570,500	**RM5.45**
2,400	**RM6.41**

These new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME

Pursuant to the ESOS implemented on 17 September 2009, the Company will make available new shares, not exceeding in aggregate 250,000,000 shares during the existence of the ESOS, to be issued under the share options granted. The ESOS is for the benefit of eligible employees and eligible directors (executive and non-executive) of the Group and of the Company. The ESOS is for a period of 10 years and is governed by the ESOS Bye-Laws as set out in the Company's Prospectus dated 28 October 2009 issued in relation to its initial public offering.

An ESOS Committee comprising Directors of the Company has been set up to administer the ESOS. The ESOS Committee may from time to time offer share options to eligible employees and eligible directors of the Group and of the Company to subscribe for new ordinary shares of RM0.10 each in the Company.

Details of the ESOS are disclosed in Note 31(b) to the financial statements.

During the financial year, the following allocations were made by the Company in relation to its ESOS:

Share options	Quantity '000
Total outstanding as at 1 January 2012	**11,306**
Total granted	**20,415**
Total exercised	**(573)**
Total forfeited	**(1,249)**
Total outstanding as at 31 December 2012	**29,899**

EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

The Company was granted an exemption by the Companies Commission of Malaysia on 10 January 2013 from having to disclose in this Report the names of employees who have been granted share options in aggregate of less than 150,000 share options during the financial year.

The employees who have been granted share options in aggregate of 150,000 or more than 150,000 share options during the financial year are as follows:

	Number of share options			
Name	**As at 1.1.2012**	**Granted**	**Exercised**	**As at 31.12.2012**
Azmi Haji Ujang	193,400	240,000	–	433,400
Chow Chee Yan	193,400	240,000	(64,500)	368,900
Kala Kularajah Sundram	–	240,000	–	240,000
Lim Chooi Kuan	–	240,000	–	240,000
Mohamed Fitri bin Abdullah	300,000	240,000	–	540,000
Stephen John Mead	193,400	240,000	–	433,400
Suren Jeevaka Amarasekera	–	200,000	–	200,000
Mariam Bevi Binti P.Dawood Batcha	–	150,000	–	150,000
Mark Guy Dioguardi	600,000	400,000	–	1,000,000
Geoffrey King	200,000	200,000	–	400,000

An analysis of the share options granted to key management personnel including Directors is as follows:

	Aggregate maximum allocation		Actual allocation[1]	
	Since 17.9.2009	**Financial year 31.12.2012**	**Since 17.9.2009**	**Financial year 31.12.2012**
Key management personnel	50%	50%	16.2%	14.3%

Note:

[1] *The Directors and Chief Executive Officer of the Company have not, since the implementation of the ESOS, been granted any share options.*

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Non-Executive Directors

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
Robert William Boyle
Dato' Mokhzani bin Mahathir
Asgari bin Mohd Fuad Stephens
Dr. Fahad Hussain S. Mushayt
Augustus Ralph Marshall
Chan Chee Beng

DIRECTORS (CONTINUED)

The Directors who have held office during the period since the date of the last report are as follows: (continued)

Non-Executive Directors (continued)

Alvin Michael Hew Thai Kheam (appointed with effect from 30 August 2012)
Dr. Ibrahim Abdulrahman H.Kadi (appointed with effect from 26 November 2012)
Krishnan Ravi Kumar (appointed with effect from 26 November 2012)
Dr. Zeyad Thamer H. AlEtaibi (resigned with effect from 15 September 2012)
Ghassan Hasbani (resigned with effect from 20 October 2012)

Executive Director

Sandip Das

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than remuneration received or due and receivable by the Directors as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of interests of the Directors who held office at the end of the financial year in shares in the Company are as follows:

	Number of ordinary shares of RM0.10 each in the Company			
	As at 1.1.2012	Bought	Sold	As at 31.12.2012
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000 (1)	–	–	750,000 (1)
Robert William Boyle	100,000 (2)	–	–	100,000 (2)
Dato' Mokhzani bin Mahathir	751,000 (3)	–	–	751,000 (3)
Asgari bin Mohd Fuad Stephens	750,000 (1)	–	(375,000)	375,000 (1)
Augustus Ralph Marshall	750,000 (1)	–	–	750,000 (1)
Chan Chee Beng	750,000	–	–	750,000
Sandip Das	750,000 (2)	–	–	750,000 (2)

Notes:
(1) *Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn. Bhd.*
(2) *Held through a nominee, namely CIMSEC Nominees (Asing) Sdn. Bhd.*
(3) *Includes deemed interest in 1,000 shares in the Company held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965*

Other than as those disclosed above, according to the Register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares and options over shares in the Company and its related corporations during the financial year.

IMMEDIATE HOLDING AND ULTIMATE HOLDING COMPANIES

The Directors regard Maxis Communications Berhad as the immediate holding company and Binariang GSM Sdn. Bhd. as the ultimate holding company. Both companies are incorporated and domiciled in Malaysia.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this Report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this Report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 26 February 2013.

RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA
DIRECTOR

SANDIP DAS
DIRECTOR

Kuala Lumpur

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group		Company	
		2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Revenue	6	**8,966,828**	8,799,921	**2,606,000**	2,360,000
Interconnect expenses, Universal Service Provision contributions and other direct cost of sales		**(3,005,841)**	(2,762,978)	**–**	–
Gross profit		**5,960,987**	6,036,943	**2,606,000**	2,360,000
Other income		**36,273**	13,730	**3**	2
Administrative expenses		**(1,754,685)**	(1,688,895)	**(15,650)**	(15,905)
Network operation costs		**(1,310,835)**	(1,032,728)	**–**	–
Other expenses		**(67,574)**	(97,347)	**(5,685)**	(7,688)
Profit from operations	7	**2,864,166**	3,231,703	**2,584,668**	2,336,409
Finance income	11(a)	**51,057**	39,873	**88,506**	85,765
Finance costs	11(b)	**(338,663)**	(267,500)	**(333,966)**	(282,260)
Profit before tax		**2,576,560**	3,004,076	**2,339,208**	2,139,914
Tax expenses	12	**(716,041)**	(473,237)	**(1,556)**	(827)
Profit for the financial year		**1,860,519**	2,530,839	**2,337,652**	2,139,087
Attributable to:					
- equity holders of the Company		**1,856,299**	2,526,872		
- non-controlling interest		**4,220**	3,967		
		1,860,519	2,530,839		
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13(a)	**24.75**	33.69		
- diluted (sen)	13(b)	**24.74**	33.69 [(1)]		

Note:

[(1)] *The diluted earnings per share was the same as basic earnings per share as the effect of dilutive potential ordinary shares was anti-dilutive.*

The notes on pages 103 to 184 form part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the financial year		**1,860,519**	2,530,839	**2,337,652**	2,139,087
Other comprehensive income/(expense):[1]					
- currency translation differences	32(c)	**(35)**	(30)	**–**	–
- net change in cash flow hedge	32(c)	**102,969**	(109,792)	**102,969**	(109,792)
Other comprehensive income/ (expense) for the financial year		**102,934**	(109,822)	**102,969**	(109,792)
Total comprehensive income for the financial year		**1,963,453**	2,421,017	**2,440,621**	2,029,295
Attributable to:					
- equity holders of the Company		**1,959,233**	2,417,050		
- non-controlling interest		**4,220**	3,967		
		1,963,453	2,421,017		

Note:

[1] There is no income tax attributable to the components of other comprehensive income/(expense).

The notes on pages 103 to 184 form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		Group			Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	15	**4,458,886**	4,971,074	5,007,046	**–**	–	–
Intangible assets	16	**11,152,002**	11,059,649	11,019,419	**–**	–	–
Investments in subsidiaries	17	**–**	–	–	**35,015,724**	35,013,428	35,012,760
Loans to subsidiaries	17	**–**	–	–	**1,325,916**	1,358,792	1,522,717
Available-for-sale investment	21	**50**	50	–	**–**	–	–
Derivative financial instruments	22	**28,196**	3,201	–	**28,196**	3,201	–
Deferred tax assets	23	**121,003**	120,870	95,906	**–**	–	–
TOTAL NON-CURRENT ASSETS		**15,760,137**	16,154,844	16,122,371	**36,369,836**	36,375,421	36,535,477
CURRENT ASSETS							
Inventories	24	**117,830**	110,249	214,098	**–**	–	–
Receivables, deposits and prepayments	25	**922,284**	858,011	936,329	**763**	1,094	1,372
Amount due from a subsidiary	17	**–**	–	–	**52**	175	–
Amount due from a fellow subsidiary	20	**1,674**	–	10	**–**	–	–
Amount due from immediate holding company	20	**446**	418	266	**1**	–	–
Amounts due from related parties	26	**12,929**	16,428	13,792	**–**	–	–
Dividend receivable		**–**	–	–	**25,000**	–	–
Tax recoverable		**19,381**	12,444	40,723	**–**	754	490
Cash and cash equivalents	27	**967,498**	838,125	897,621	**469,800**	81,405	79,554
TOTAL CURRENT ASSETS		**2,042,042**	1,835,675	2,102,839	**495,616**	83,428	81,416
TOTAL ASSETS		**17,802,179**	17,990,519	18,225,210	**36,865,452**	36,458,849	36,616,893

The notes on pages 103 to 184 form part of these financial statements.

	Note	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000	Company 31.12.2012 RM'000	Company 31.12.2011 RM'000	Company 1.1.2011 RM'000
LESS: CURRENT LIABILITIES							
Provisions for liabilities and charges	28	**72,081**	64,465	59,937	**–**	–	–
Payables and accruals	29	**2,633,339**	2,828,255	3,105,357	**866**	1,816	1,608
Amounts due to related parties	26	**25,928**	23,214	42,944	**–**	–	–
Amounts due to subsidiaries	17	**–**	–	–	**1,101**	1,155	963
Amounts due to fellow subsidiaries	20	**29**	246	1,203	**–**	–	–
Amount due to immediate holding company	20	**–**	–	119	**–**	–	–
Borrowings	30	**2,061**	1,463,950	13,201	**–**	1,450,104	–
Taxation		**34,715**	5,735	100,367	**276**	–	–
TOTAL CURRENT LIABILITIES		**2,768,153**	4,385,865	3,323,128	**2,243**	1,453,075	2,571
NET CURRENT (LIABILITIES)/ ASSETS		**(726,111)**	(2,550,190)	(1,220,289)	**493,373**	(1,369,647)	78,845
NON-CURRENT LIABILITIES							
Provisions for liabilities and charges	28	**102,321**	93,675	126,536	**–**	–	–
Payables and accruals	29	**118,287**	60,564	46,206	**–**	–	–
Loan from a related party	26	**38,188**	35,668	33,205	**–**	–	–
Borrowings	30	**6,771,819**	4,409,118	5,060,667	**6,766,898**	4,387,411	5,043,647
Derivative financial instruments	22	**398,036**	366,177	348,452	**398,036**	366,177	348,452
Deferred tax liabilities	23	**548,070**	551,068	620,317	**–**	–	–
TOTAL NON-CURRENT LIABILITIES		**7,976,721**	5,516,270	6,235,383	**7,164,934**	4,753,588	5,392,099
NET ASSETS		**7,057,305**	8,088,384	8,666,699	**29,698,275**	30,252,186	31,222,223
EQUITY							
Share capital	31	**750,057**	750,000	750,000	**750,057**	750,000	750,000
Reserves	32	**6,299,061**	7,334,417	7,916,699	**28,948,218**	29,502,186	30,472,223
Equity attributable to equity holders of the Company		**7,049,118**	8,084,417	8,666,699	**29,698,275**	30,252,186	31,222,223
Non-controlling interest		**8,187**	3,967	–	**–**	–	–
TOTAL EQUITY		**7,057,305**	8,088,384	8,666,699	**29,698,275**	30,252,186	31,222,223

The notes on pages 103 to 184 form part of these financial statements.

FINANCIAL STATEMENTS
CORPORATE GOVERNANCE
ANALYSIS OF SHAREHOLDINGS
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ANNUAL GENERAL MEETING

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Attributable to equity holders of the Company									
		Issued and fully paid ordinary shares of RM0.10 each									
Group	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Merger relief (Note 32(a)) RM'000	Reserve arising from reverse acquisition (Note 32(b)) RM'000	Other reserves (Note 32(c)) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
As at 1 January 2012		7,500,000	750,000	–	29,629,000	(22,728,901)	(154,892)	589,210	8,084,417	3,967	8,088,384
Profit for the financial year		–	–	–	–	–	–	1,856,299	1,856,299	4,220	1,860,519
Other comprehensive income for the financial year		–	–	–	–	–	102,934	–	102,934	–	102,934
Total comprehensive income for the financial year		–	–	–	–	–	102,934	1,856,299	1,959,233	4,220	1,963,453
Dividends for the financial year ended 2011:	14										
- fourth interim ordinary		–	–	–	–	–	–	(600,000)	(600,000)	–	(600,000)
- final ordinary		–	–	–	(400,000)	–	–	(200,000)	(600,000)	–	(600,000)
Dividends for the financial year ended 2012:	14										
- first interim ordinary		–	–	–	–	–	–	(600,000)	(600,000)	–	(600,000)
- second interim ordinary		–	–	–	(200,000)	–	–	(400,038)	(600,038)	–	(600,038)
- third interim ordinary		–	–	–	(40,000)	–	–	(560,046)	(600,046)	–	(600,046)
Employee Share Option Scheme ("ESOS"):											
- share options granted	31(b)	–	–	–	–	–	2,427	–	2,427	–	2,427
- shares issued		573	57	3,199	–	–	(131)	–	3,125	–	3,125
As at 31 December 2012		7,500,573	750,057	3,199	28,989,000	(22,728,901)	(49,662)	85,425	7,049,118	8,187	7,057,305

The notes on pages 103 to 184 form part of these financial statements.

Group	Note	Issued and fully paid ordinary shares of RM0.10 each: Number of shares '000	Issued and fully paid ordinary shares of RM0.10 each: Nominal value RM'000	Share premium RM'000	Merger relief (Note 32(a)) RM'000	Reserve arising from reverse acquisition (Note 32(b)) RM'000	Other reserves (Note 32(c)) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		Attributable to equity holders of the Company									
As at 1 January 2011		7,500,000	750,000	–	30,440,400	(22,728,901)	(45,738)	250,938	8,666,699	–	8,666,699
Profit for the financial year		–	–	–	–	–	–	2,526,872	2,526,872	3,967	2,530,839
Other comprehensive expense for the financial year		–	–	–	–	–	(109,822)	–	(109,822)	–	(109,822)
Total comprehensive (expense)/ income for the financial year		–	–	–	–	–	(109,822)	2,526,872	2,417,050	3,967	2,421,017
Dividends for the financial year ended 2010:	14										
- fourth interim ordinary		–	–	–	–	–	–	(600,000)	(600,000)	–	(600,000)
- final ordinary		–	–	–	(11,400)	–	–	(588,600)	(600,000)	–	(600,000)
Dividends for the financial year ended 2011:	14										
- first interim ordinary		–	–	–	(600,000)	–	–	–	(600,000)	–	(600,000)
- second interim ordinary		–	–	–	(100,000)	–	–	(500,000)	(600,000)	–	(600,000)
- third interim ordinary		–	–	–	(100,000)	–	–	(500,000)	(600,000)	–	(600,000)
ESOS:	31(b)										
- share options granted		–	–	–	–	–	668	–	668	–	668
As at 31 December 2011		7,500,000	750,000	–	29,629,000	(22,728,901)	(154,892)	589,210	8,084,417	3,967	8,088,384

The notes on pages 103 to 184 form part of these financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Continued

Company	Note	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable			Distributable	
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Other reserves (Note 32(c)) RM'000	Merger relief (Note 32(a)) RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 January 2012		7,500,000	750,000	–	(154,907)	29,629,000	28,093	30,252,186
Profit for the financial year		–	–	–	–	–	2,337,652	2,337,652
Other comprehensive income for the financial year		–	–	–	102,969	–	–	102,969
Total comprehensive income for the financial year		–	–	–	102,969	–	2,337,652	2,440,621
Dividends for the financial year ended 2011:	14							
- fourth interim ordinary		–	–	–	–	–	(600,000)	(600,000)
- final ordinary		–	–	–	–	(400,000)	(200,000)	(600,000)
Dividends for the financial year ended 2012:	14							
- first interim ordinary		–	–	–	–	–	(600,000)	(600,000)
- second interim ordinary		–	–	–	–	(200,000)	(400,038)	(600,038)
- third interim ordinary		–	–	–	–	(40,000)	(560,046)	(600,046)
ESOS:								
- share options granted	31(b)	–	–	–	2,427	–	–	2,427
- shares issued		573	57	3,199	(131)	–	–	3,125
As at 31 December 2012		7,500,573	750,057	3,199	(49,642)	28,989,000	5,661	29,698,275

The notes on pages 103 to 184 form part of these financial statements.

		Issued and fully paid ordinary shares of RM0.10 each		Non-distributable			Distributable	
Company	**Note**	**Number of shares '000**	**Nominal value RM'000**	**Share premium RM'000**	**Other reserves (Note 32(c)) RM'000**	**Merger relief (Note 32(a)) RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
As at 1 January 2011		7,500,000	750,000	–	(45,783)	30,440,400	77,606	31,222,223
Profit for the financial year		–	–	–	–	–	2,139,087	2,139,087
Other comprehensive expense for the financial year		–	–	–	(109,792)	–	–	(109,792)
Total comprehensive (expense)/ income for the financial year		–	–	–	(109,792)	–	2,139,087	2,029,295
Dividends for the financial year ended 2010:	14							
- fourth interim ordinary		–	–	–	–	–	(600,000)	(600,000)
- final ordinary		–	–	–	–	(11,400)	(588,600)	(600,000)
Dividends for the financial year ended 2011:	14							
- first interim ordinary		–	–	–	–	(600,000)	–	(600,000)
- second interim ordinary		–	–	–	–	(100,000)	(500,000)	(600,000)
- third interim ordinary		–	–	–	–	(100,000)	(500,000)	(600,000)
ESOS:	31(b)							
- share options granted		–	–	–	668	–	–	668
As at 31 December 2011		7,500,000	750,000	–	(154,907)	29,629,000	28,093	30,252,186

The notes on pages 103 to 184 form part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the financial year	**1,860,519**	2,530,839	**2,337,652**	2,139,087
Adjustments for:				
Allowance for:				
- impairment of receivables, deposits and prepayments	**117,149**	147,832	**–**	–
- inventories obsolescence	**9,812**	22,669	**–**	–
Amortisation of intangible assets	**180,030**	137,453	**–**	–
Bad debts recovered	**(17,030)**	(14,267)	**–**	–
Depreciation of property, plant and equipment	**1,182,586**	1,011,288	**–**	–
Dividend income	**–**	–	**(2,606,000)**	(2,360,000)
ESOS expense	**2,427**	668	**–**	–
Finance costs	**338,663**	267,500	**333,966**	282,260
Finance income	**(51,057)**	(39,873)	**(88,506)**	(85,765)
Loss on disposal of property, plant and equipment	**–**	1,761	**–**	–
Property, plant and equipment written off	**132,835**	40,647	**–**	–
Provision for:				
- network construction costs and settlements	**4,100**	–	**–**	–
- site rectification and decommissioning works	**–**	901	**–**	–
- staff incentive scheme	**50,092**	49,314	**–**	–
Reversal of allowance for:				
- impairment of receivables, deposits and prepayments	**(20,072)**	(12,335)	**–**	–
- inventories obsolescence	**(6,578)**	(1,165)	**–**	–
Tax expenses	**716,041**	473,237	**1,556**	827
Unrealised (gain)/loss on foreign exchange	**(4,862)**	8,264	**–**	1
Write-back of provision for:				
- site rectification and decommissioning works	**(1,440)**	–	**–**	–
- staff incentive scheme	**(9,017)**	(166)	**–**	–
	4,484,198	4,624,567	**(21,332)**	(23,590)

The notes on pages 103 to 184 form part of these financial statements.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)				
Payment under staff incentive scheme	**(36,401)**	(44,206)	**–**	–
Payments for site rectification and decommissioning works	**(2,369)**	(3,505)	**–**	–
Payment for ESOS – Equivalent Cash Consideration	**(5,064)**	(5,064)	**–**	–
Operating cash flows before working capital changes	**4,440,364**	4,571,792	**(21,332)**	(23,590)
Changes in working capital:				
Inventories	**(10,815)**	82,345	**–**	–
Receivables	**(143,165)**	(43,562)	**396**	309
Payables	**(224,940)**	(286,407)	**(950)**	32
Related parties balances	**6,213**	(22,366)	**–**	–
Fellow subsidiaries balances	**(1,891)**	(947)	**200**	17
Immediate holding company balances	**5,036**	4,793	**(1)**	–
Cash flow from/(used in) operations	**4,070,802**	4,305,648	**(21,687)**	(23,232)
Dividends received	**–**	–	**2,581,000**	2,360,000
Interest received	**46,959**	39,651	**88,679**	87,659
Tax paid	**(697,129)**	(633,803)	**(526)**	(1,091)
Net cash flow from operating activities	**3,420,632**	3,711,496	**2,647,466**	2,423,336
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans to subsidiaries	**–**	–	**(1,000,000)**	(472,200)
Loans repayment from a subsidiary	**–**	–	**1,032,500**	634,200
Purchase of intangible assets	**(272,383)**	(177,683)	**–**	–
Purchase of property, plant and equipment	**(717,361)**	(988,685)	**–**	–
Purchase of available-for-sale investment	**–**	(50)	**–**	–
Proceeds from disposal of property, plant and equipment	**–**	492	**–**	–
Net cash flow (used in)/from investing activities	**(989,744)**	(1,165,926)	**32,500**	162,000

The notes on pages 103 to 184 form part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Continued

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares pursuant to ESOS		**3,125**	–	**3,125**	–
Drawdown of borrowings		**–**	1,699,450	**–**	1,699,450
Proceeds from issuance of Islamic Medium Term Notes		**2,450,000**	–	**2,450,000**	–
Repayment of borrowing		**(1,450,000)**	(1,000,000)	**(1,450,000)**	(1,000,000)
Repayment of lease financing		**(5,995)**	(16,052)	**–**	–
Payments of finance costs		**(298,625)**	(288,374)	**(294,612)**	(282,935)
Ordinary share dividends paid		**(3,000,084)**	(3,000,000)	**(3,000,084)**	(3,000,000)
Net cash flow used in financing activities		**(2,301,579)**	(2,604,976)	**(2,291,571)**	(2,583,485)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**129,309**	(59,406)	**388,395**	1,851
EFFECTS OF EXCHANGE RATE CHANGES		**64**	(90)	**–**	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**838,125**	897,621	**81,405**	79,554
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	27	**967,498**	838,125	**469,800**	81,405

The notes on pages 103 to 184 form part of these financial statements.

1 GENERAL INFORMATION

The principal activity of the Company is investment holding, whilst the principal activities of the Group, comprising the Company and its subsidiaries, are the provision of mobile, fixed line and international gateway telecommunications services as well as internet and broadband services, and corporate support functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The Directors regard Maxis Communications Berhad ("MCB") as the immediate holding company and Binariang GSM Sdn. Bhd. ("BGSM") as the ultimate holding company. Both companies are incorporated and domiciled in Malaysia.

The address of the registered office of business of the Company is as follows:

Level 18, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

Level 8, 10 - 23, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 "First-time Adoption of MFRS". Subject to certain transition elections disclosed in Note 38 to the financial statements, the Group and the Company have consistently applied the same accounting policies in the opening MFRS statements of financial position at 1 January 2011 (transition date) and throughout all periods presented, as if these policies had always been in effect.

The financial statements issued prior to this set of financial statements were prepared in accordance with the Financial Reporting Standards ("FRS") framework. There is no significant impact on the Group's and the Company's financial results, financial positions and cash flows, and changes to the accounting policies of the Group and of the Company arising from the adoption of the MFRS framework.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgments are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2 BASIS OF PREPARATION (CONTINUED)

Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards and amendments to published standards in the following periods:

(i) Financial year beginning on or after 1 January 2013

- MFRS 10 "Consolidated Financial Statements" (effective from 1 January 2013), which replaces part of MFRS 127 "Consolidated and Separate Financial Statements" and all of IC Interpretation 112 "Consolidation – Special Purpose Entities", build on existing principles by identifying the concept of control as the determining factor for whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This MFRS is not expected to have any significant impact on the financial results and position of the Group.

- MFRS 12 "Disclosure of Interests in Other Entities" (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This MFRS is not expected to have any impact on the financial results and position of the Group and of the Company.

- MFRS 13 "Fair Value Measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of the fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within MFRSs. The Group and the Company will apply this MFRS prospectively from 1 January 2013 and this is not expected to have any significant impact on the financial results and position of the Group and of the Company.

- MFRS 119 "Employee Benefits" (effective from 1 January 2013) eliminates the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). These amendments do not have any impact on the financial results and position of the Group and of the Company.

- The revised MFRS 127 "Separate Financial Statements" (effective 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10. This revised MFRS does not have any impact on the financial results and position of the Company.

- Amendments to MFRS 7 "Financial Instruments: Disclosures" (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset. These amendments are not expected to have any impact on the financial results and position of the Group and of the Company.

- Amendments to MFRS 10, MFRS 11 and MFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance". These amendments limit the requirement to present adjusted comparative information to the period immediately preceding the date of initial application and disclosures for unconsolidated structured entities in periods prior to the first annual period that MFRS 12 is applied are no longer required. The amendments also clarify that the "date of initial application" in MFRS 10 means "the beginning of the annual reporting period in which MFRS 10 is applied for the first time" and allow an entity to apply the earlier or revised versions of MFRS 3 "Business Combinations" and MFRS 127 if control was obtained before the effective date of the revised versions of these standards. These amendments are not expected to have any significant impact on the financial results and position of the Group and of the Company.

2 BASIS OF PREPARATION (CONTINUED)

Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the new standards and amendments to published standards in the following periods: (continued)

(i) Financial year beginning on or after 1 January 2013 (continued)

- Amendments to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in 'other comprehensive income' in the statement of comprehensive income into two groups, based on whether or not they may be recycled to income statement in the future. The amendments do not address which items are presented in other comprehensive income. Save for the presentation of other comprehensive income, these amendments are not expected to have any significant impact on the financial results and position of the Group and of the Company.

- Certain amendments to MFRSs contained in a document entitled "Annual Improvements 2009-2011 Cycle" (effective from 1 January 2013) are applicable to the Group and the Company but are not expected to have any significant impact on the financial results and position of the Group and of the Company.

(ii) Financial year beginning on or after 1 January 2014

- Amendments to MFRS 132 "Financial Instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. The Group and the Company are currently assessing the impact of this amendment.

(iii) Financial year beginning on or after 1 January 2015

- MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss. Entities with financial liabilities designated at fair value through profit or loss recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income. There is no subsequent recycling of the amounts in other comprehensive income to income statement, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

  MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9. The Group and the Company are currently assessing MFRS 9's full impact.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. See accounting policy Note 3(d)(ii) on goodwill.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity. Profit or loss attributable to non-controlling interests for prior years is not restated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

(b) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

When there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities in foreign currencies at the reporting date are translated into the functional currency at exchange rates ruling at the date.

Exchange differences arising from the settlement of foreign currency transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in the income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is disposed of, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currencies (continued)

(iv) Closing rates

The principal closing rates used in translation of foreign currency amounts were as follows:

Foreign currencies	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
1 Euro	**4.04**	4.10	4.09
1 Pound Sterling ("GBP")	**4.94**	4.93	4.76
1 Singapore Dollar ("SGD")	**2.50**	2.45	2.40
1 Special Drawing Rights ("SDR")(1)	**4.70**	4.86	4.72
1 United States Dollar ("USD")	**3.06**	3.17	3.09
100 Indian Rupee	**5.56**	5.97	6.87
100 Indonesian Rupiah	**0.03**	0.04	0.03

Note:

(1) *Represents the closing international accounting settlement rate with international carriers.*

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment. The cost of certain property, plant and equipment items include the costs of dismantling and removing the item and restoring the sites on which these items are located. These costs are due to obligations incurred either when the items were installed or as a consequence of having used these items during a particular period.

Certain telecommunication assets are stated at the amount of cash or cash equivalent that would have to be paid if the same or an equivalent asset was acquired. Included in telecommunications equipment are purchased computer software costs which are integral to such equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the year in which they are incurred.

Freehold land is not depreciated as it has an indefinite life.

Leasehold lands and buildings held for own use are classified as operating or finance leases in the same way as leases of other assets.

Long-term leasehold land is land with a remaining lease period exceeding 50 years. Leasehold land is amortised over the lease term on a straight line method, summarised as follows:

Long-term leasehold land	77 – 90 years
Short-term leasehold land	50 years

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

All property, plant and equipment are depreciated on the straight line method to write off the cost of each category of assets to its residual value over its estimated useful life, summarised as follows:

Buildings	42 – 50 years
Telecommunications equipment	2 – 20 years
Submarine cables (included within telecommunications equipment)	10 – 25 years
Site decommissioning works (included within telecommunications equipment)	15 years
Motor vehicles	5 years
Office furniture, fittings and equipment	3 – 7 years

Capital work-in-progress comprising mainly telecommunications equipment, submarine cables and renovations are not depreciated until they are ready for their intended use.

Residual values and useful lives are reassessed and adjusted, if appropriate, at each reporting date.

At each reporting date, the Group assesses whether there is any impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(g)(i) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statement.

(d) Intangible assets

(i) Acquired telecommunications licences with allocated spectrum rights

The Group acquires other intangible assets either as part of a business combination or through separate acquisition. Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition and recognised separately from goodwill. On initial acquisition, management judgment is applied to determine the appropriate allocation of purchase consideration to the assets being acquired, including goodwill and identifiable intangible assets.

Intangible assets that are considered to have a finite life are amortised on a straight line basis over the period of expected benefit. Intangible assets that are considered to have an indefinite economic useful life are not amortised but tested for impairment in accordance with Note 3(g)(i) on an annual basis, or where an indication of impairment exists. The acquired intangible assets include telecommunications licences with allocated spectrum rights which have indefinite economic useful life.

Management assesses the indefinite economic useful life assumption applied to the acquired intangible assets annually.

(ii) Goodwill

Goodwill arises on the acquisition of subsidiaries and it represents the excess of the fair value of the consideration transferred for purchase of subsidiaries or businesses, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired at the date of acquisition.

Goodwill is measured at cost less any accumulated impairment losses. Negative goodwill is recognised immediately in the income statement.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(ii) Goodwill (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. See accounting policy Note 3(g)(i) on impairment of non-financial assets. Each cash-generating unit or a group of cash-generating units represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which are expected to benefit from the synergies of the combination.

(iii) Customer acquisition costs

Expenditures incurred in providing the customer a free or subsidised device including installation costs, provided the customer signs a non-cancellable contract for a predetermined contractual period, are capitalised as intangible assets and amortised over the contractual period on a straight line method. Customer acquisition costs are assessed at each reporting date whether there is any indication that the customer acquisition costs may be impaired. See accounting policy Note 3(g)(i) on impairment of non-financial assets.

(e) Investments in subsidiaries

Investments in subsidiaries are stated at cost plus the fair value of share options granted to employees of the subsidiaries over the vesting period deemed as capital contribution. See accounting policy Note 3(t)(iii) on share-based compensation. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(g)(i) on impairment of non-financial assets.

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(i) Classification and measurement

Financial assets

The Group and the Company classify their financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

The Group and the Company do not hold any financial assets carried at fair value through profit or loss (except for derivatives that are designated as effective hedging instruments) and held-to-maturity. See accounting policy Note 3(h) on derivative financial instruments and hedging activities.

Financial assets are classified as current assets; except for maturities greater than 12 months after the reporting date, in which case they are classified as non-current assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(i) Classification and measurement (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets in this category are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these assets are recognised in the income statement.

The Group's and the Company's loans and receivables comprise receivables (including inter-companies and related parties balances), cash and cash equivalents in the statements of financial position.

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Financial assets in this category are initially recognised at fair value plus transaction costs and subsequently, at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments, interest and dividends are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments for which the fair value cannot be reliably measured are recognised at cost less impairment loss.

The Group's available-for-sale financial asset comprises investment in unquoted shares.

Financial liabilities

The Group and the Company classify their financial liabilities in the following categories: at fair value through profit or loss, other financial liabilities and financial guarantee contracts. Management determines the classification of financial liabilities at initial recognition.

The Group and the Company do not hold any financial liabilities carried at fair value through profit or loss (except for derivatives that are designated as effective hedging instruments) and financial guarantee contracts. See accounting policy Note 3(h) on derivative financial instruments and hedging activities.

Other financial liabilities are non-derivative financial liabilities. Other financial liabilities are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these liabilities are recognised in the income statement.

The Group's and the Company's other financial liabilities comprise payables (including inter-companies and related parties balances) and borrowings in the statements of financial position. Financial liabilities are classified as current liabilities; except for maturities greater than 12 months after the reporting date, in which case they are classified as non-current liabilities.

(ii) Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the Group and the Company become party to the contractual provisions of the instrument.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

(iii) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the risks and rewards relating to the financial assets have expired or have been fully transferred or have been partially transferred with no control over the same.

Financial liabilities are derecognised when the liability is either discharged, cancelled, has expired or has been restructured with substantially different terms.

(iv) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

(g) Impairment of assets

(i) Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite economic useful life are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Any impairment loss is charged to the income statement. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

(ii) Financial assets

Financial assets carried at amortised cost

Financial assets are impaired when there is objective evidence as a result of one or more events that the present value of estimated discounted future cash flows is lower than the carrying value. Any impairment losses are recognised immediately in the income statement.

Financial assets are continuously monitored and allowances applied against financial assets consist of both specific impairments and collective impairments based on the Group’s and the Company’s historical loss experiences for the relevant aged category and taking into account general economic conditions. Historical loss experience allowances are calculated by line of business in order to reflect the specific nature of the financial assets relevant to that line of business.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of assets (continued)

(ii) Financial assets (continued)

Financial assets classified as available-for-sale

Significant or prolonged decline in fair value below cost and significant financial difficulties of the issuer or obligor are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in income statement, is reclassified from equity to income statement. Impairment losses in the income statement on available-for-sale equity investments are not reversed through the income statement in the subsequent period. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income.

(h) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group and the Company designate and document at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group and the Company assess both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items and apply hedge accounting only where effectiveness tests are met on both a prospective and retrospective basis. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The Group and the Company do not have any fair value hedges and net investment hedges.

Cash flow hedge

The Group and the Company use cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and/or interest rate fluctuations over the hedging period on the Group's and the Company's borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains and losses on remeasuring the fair value of the hedging instrument is recognised directly in equity in the cash flow hedging reserve until such time as the hedged items affect profit or loss, then the gains or losses are reclassified to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the income statement. The application of hedge accounting will create some volatility in equity reserve balances.

Where a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses existing in equity at that time remain in equity and are recognised when the forecast transaction is ultimately recognised in the income statement. Where a forecast transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately reclassified to the income statement.

(i) Fair value estimates

The fair value of the financial assets, financial liabilities and derivative financial instruments is estimated for recognition and measurement or for disclosure purposes.

In assessing the fair value of financial instruments, the Group and the Company make certain assumptions and apply the estimated discounted value of future cash flows to determine the fair value of financial instruments. The fair values of financial assets and financial liabilities are estimated by discounting future cash flows at the current interest rate available to the respective companies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Fair value estimates (continued)

The face values for financial assets and financial liabilities with a maturity of less than one year are assumed to be approximately equal to their fair values.

For derivative financial instruments that are measured at fair value, the fair values are determined 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 value is calculated as the present value of estimated future cash flow using an appropriate market based yield curve.

(j) Inventories

Inventories, which comprise telecommunications components, incidentals and devices, are stated at the lower of cost and net realisable value. Cost includes the actual cost of materials and incidentals in bringing the inventories to their present location and condition, and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Receivables

Receivables are carried at invoice amount and/or income earned less an allowance for impairment. The allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with licensed banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statements of financial position. For the purposes of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(m) Share capital

(i) Classification

Ordinary shares and redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are deducted, net of tax, against proceeds and shown in equity.

(iii) Dividends to shareholders of the Company

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(n) Payables

Payables, including accruals, represent liabilities for goods received and services rendered to the Group and the Company prior to the end of the financial year and which remain unpaid. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the income statement when incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Interest expense, redeemable preference shares dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

Borrowings are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(i) Borrowings in a designated hedging relationship

Borrowings subject to cash flow hedges are recognised initially at fair value based on the applicable spot price plus any transaction costs that are directly attributable to the issue of borrowing. These borrowings are subsequently carried at amortised costs, translated at applicable spot exchange rate at reporting date. Any difference between the final amount paid to discharge the borrowing and the initial proceeds is recognised in the income statement over the borrowing period using the effective interest method.

Currency gains or losses on the borrowings are recognised in the income statement, along with the associated gains or losses on the hedging instrument, which have been reclassified from the cash flow hedging reserve to the income statement.

(ii) Borrowings not in a designated hedging relationship

Borrowings not in a designated hedging relationship are initially recognised at fair value plus transaction costs that are directly attributable to the issue of borrowing. These borrowings are subsequently carried at amortised costs. Any difference between the final amount paid to discharge the borrowing and the initial proceeds is recognised in the income statement over the borrowing period using the effective interest method.

(p) Provisions for liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Site rectification and decommissioning works

Provision for site rectification works is based on management's best estimate and the past trend of costs for rectification works to be carried out to fulfil new regulatory guidelines and requirements imposed after network cell sites were built.

Provision for decommissioning works is the estimated costs of dismantling and removing the structures on identified sites and restoring these sites. This obligation is incurred either when the items are installed or as a consequence of having used the items during a particular period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Provisions for liabilities and charges (continued)

(ii) Network construction costs and settlements

Provisions for network construction costs and settlements are made in respect of network construction projects which are under notices of termination, legal claims, negotiations for settlements and costs in respect of obligations under network construction contracts.

(iii) Staff incentive scheme

Provision for staff incentive scheme is based on management's best estimate of the amount payable as at reporting date based on the performance of individual employees and financial performance of the Group.

(q) Income taxes

The tax expenses for the period comprise current and deferred tax. Tax is recognised in income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on behalf of their parent on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority or either the taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Finance leases and hire purchase agreements

Leases and hire purchases of property, plant and equipment where the Group assumes substantially all benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases or hire purchase agreements are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(s) Operating leases

Leases of assets where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease period.

(t) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees including full-time Executive Directors of the Group and of the Company. The Group and the Company recognise provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's and the Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for eligible employees and directors of the Group and of the Company, pursuant to the Employee Share Option Scheme ("ESOS"). Where the Group and the Company pay for services of its employees using the share options, the fair value of the employee services rendered in exchange for the grant of the share options is recognised as an expense in the income statement over the vesting periods of the grants, with the corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options at grant date and the number of share options to be vested by the vesting date. At each reporting date, the Group and the Company revise their estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to equity.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(iii) Share-based compensation (continued)

The fair value of employee share options is measured using a modified Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historical volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on maturity of the share options), expected dividends and the risk-free interest rate (based on data from recognised financial information sources). Non-market vesting conditions attached to the transactions are not taken into account in determining fair value.

When share options are exercised, the proceeds received from the exercise of the share options together with the corresponding share options reserve, net of any directly attributable transactions costs are transferred to share capital (nominal value) and share premium. If the share options expire or lapse, the corresponding share options reserve attributable to the share options is transferred to retained earnings.

In the separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(u) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and of the Company's activities. The Group's revenue is shown net of service tax, returns, rebates, discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's and of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Telecommunications revenue

Revenues from mobile postpaid services and fixed line services are recognised at the time of customer usage and when services are rendered. Service discounts and incentives are accounted as a reduction of revenue when granted.

Unutilised amounts on certain mobile postpaid rate plans are deferred up to one month. Unutilised amounts exceeding one month are recognised as breakage revenue.

Revenue of mobile prepaid services comprises sales of starter packs and prepaid top-up tickets. Revenue from sales of starter packs is recognised at the point of sale to third parties while the revenue from the preloaded talk time within the pack is recognised when services are rendered. Revenue from sales of prepaid top-up tickets is recognised when services are rendered. The credits on preloaded talk time within the starter packs and prepaid top-up tickets can be deferred up to the point of customer churn, after which such amounts are recognised as revenue.

Unutilised credits of prepaid top-up tickets sold to customers and distributors and unutilised airtime on certain postpaid rate plans which have been deferred as described above are recognised as deferred income.

Revenues from the provision of network facilities, public switched services, internet services and internet application services are recognised at the time of customer usage and when services are rendered. Service discounts and incentives are accounted as a reduction of revenue when granted.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue recognition (continued)

(i) Telecommunications revenue (continued)

Revenue earned from carriers for international gateway services is recognised at the time the calls occur and when services are rendered.

Revenue from the sale of devices is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

Where the Group's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis and represents the margin earned.

(ii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

(v) Government grants

As a Universal Service Provider ("USP"), the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to USP projects. The claim qualifies as a government grant and is recognised at its fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the financial period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included as deferred income and are credited to the income statement on a straight line basis over the expected useful lives of the related assets.

(w) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquiree as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Contingent liabilities (continued)

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 118.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers comprising the Chief Executive Officer, Chief Financial Officer and Joint Chief Operating Officers. The chief operating decision-makers are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Segment revenues and expenses are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenues and expenses are determined before intragroup balances and transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group companies within a single segment.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact on the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Intangible assets

The telecommunications licences with allocated spectrum rights are not subject to amortisation and are tested annually for impairment as the Directors are of the opinion that the licences can be renewed in perpetuity at negligible cost and the associated spectrum rights, similar to land, have an indefinite economic useful life. Correspondingly, deferred tax has not been recognised.

The estimated economic useful life reflects the Group's expectation of the period over which the Group will continue to recover benefits from the licence.

The economic useful life is periodically reviewed, taking into consideration such factors as changes in technology and regulatory environment. See Note 16 to the financial statements for the key assumptions on the impairment assessment of intangible assets.

(b) Estimated useful lives and impairment assessment of property, plant and equipment

The Group reviews annually the estimated useful lives and assesses for indicators of impairment of property, plant and equipment based on factors such as business plans and strategies, historical sector and industry trends, general market and economic conditions, expected level of usage, future technological developments and other available information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A detailed impairment assessment was carried out for Enterprise Fixed services and Home services segments during the financial year. Any impairment or reduction in the estimated useful lives of property, plant and equipment would increase charges to the income statements and decrease their carrying value. See Note 15 to the financial statements for the impact on the changes in the estimated useful lives of property, plant and equipment.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions (continued)

(c) Provisions for liabilities and charges

The Group recognises provisions for liabilities and charges when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provision requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate. See Note 28 to the financial statements for the impact on change in estimate in relation to the provision for site rectification and decommissioning works.

5 SEGMENT REPORTING

The Group operates in four key segments as follows:

(i) mobile services comprise postpaid mobile, prepaid mobile, mobile data, broadband and roaming services;

(ii) enterprise fixed services comprise a full suite of voice services, data services, Very Small Apparatus Terminal ("VSAT") services and Internet Protocol ("IP") and managed services to cater for business customers;

(iii) international gateway services comprise services to international telecommunications carriers for termination of traffic into Malaysia, services to send the Group's own international traffic abroad and bandwidth leasing services; and

(iv) home services comprise fixed voice services and data services to home customers.

The Group also provides other services which are currently not significant enough to be reported separately.

Inter-segment revenues comprise network services and management services rendered to other business segments within the Group. Some transactions are transacted at normal commercial terms that are no more favourable than those available to other third parties whilst the rest are allocated based on an equitable basis of allocation. There have been no significant changes to the basis of pricing inter-segment transfers.

The Group assesses the performance of the operating segments based on measure of revenue, EBITDA[(1)] and profit from operations. Finance income and costs are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. Tax expenses are not allocated to segments, as this type of activity is measured at entity based rather than taxation on segments.

Additions to non-current assets are primarily the total costs incurred during the financial year to acquire property, plant and equipment and intangible assets.

Segment assets and liabilities are not regularly provided to the chief operating decision makers. Hence, no disclosure is made on the segment assets and liabilities.

Note:

[(1)] Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.

5 SEGMENT REPORTING (CONTINUED)

(a) Business segments

	Mobile services RM'000	Enterprise fixed services RM'000	International gateway services RM'000	Home services RM'000	Other operations RM'000	Elimination RM'000	Group RM'000
Financial year ended 31 December 2012							
SEGMENT REVENUE							
External revenue	8,537,417	203,190	195,420	30,801	–	–	8,966,828
Inter-segment revenue	21,307	24,746	264,238	77	417,023	(727,391)	–
Segment revenue	8,558,724	227,936	459,658	30,878	417,023	(727,391)	8,966,828
SEGMENT RESULTS							
Segment EBITDA	4,308,601	63,963	48,143	(109,009)	47,919	–	4,359,617
Segment operating profit/(loss)	2,983,454	27,023	29,350	(186,739)	11,078	–	2,864,166
Profit from operations							2,864,166
Finance income							51,057
Finance costs							(338,663)
Profit before tax							2,576,560
Tax expenses							(716,041)
Profit for the financial year							1,860,519
Depreciation and amortisation	1,248,179	31,061	17,989	29,370	36,017	–	1,362,616
Other material non-cash items	192,505	12,101	(36)	53,661	16,215	–	274,446
Additions to non-current assets	963,840	42,302	–	54,079	15,391	–	1,075,612

5 SEGMENT REPORTING (CONTINUED)

(a) Business segments (continued)

	Mobile services RM'000	Enterprise fixed services RM'000	International gateway services RM'000	Home services RM'000	Other operations RM'000	Elimination RM'000	Group RM'000
Financial year ended 31 December 2011							
SEGMENT REVENUE							
External revenue	8,445,440	180,859	155,841	17,781	–	–	8,799,921
Inter-segment revenue	24,310	27,306	178,147	112	357,730	(587,605)	–
Segment revenue	8,469,750	208,165	333,988	17,893	357,730	(587,605)	8,799,921
SEGMENT RESULTS							
Segment EBITDA	4,346,904	51,428	41,493	(48,802)	31,829	–	4,422,852
Segment operating profit/(loss)	3,234,737	25,468	22,832	(57,756)	6,422	–	3,231,703
Profit from operations							3,231,703
Finance income							39,873
Finance costs							(267,500)
Profit before tax							3,004,076
Tax expenses							(473,237)
Profit for the financial year							2,530,839
Depreciation and amortisation	1,070,439	25,276	18,505	8,922	25,599	–	1,148,741
Other material non-cash items	236,234	4,617	1,932	3,293	12,314	–	258,390
Additions to non-current assets	1,035,020	31,444	632	108,059	17,891	–	1,193,046

5 SEGMENT REPORTING (CONTINUED)

(a) Business segments (continued)

Other material non-cash items consist of the following:

	Group 2012 RM'000	Group 2011 RM'000
Allowance (net) for:		
- impairment of receivables, deposits and prepayments	**97,077**	135,497
- inventories obsolescence	**3,234**	21,504
ESOS expense	**2,427**	668
Loss on disposal of property, plant and equipment	**–**	1,761
Property, plant and equipment written off	**132,835**	40,647
Provision/(write-back of provision) (net) for:		
- network construction costs and settlements	**4,100**	–
- site rectification and decommissioning works	**(1,440)**	901
- staff incentive scheme	**41,075**	49,148
Unrealised (gain)/loss on foreign exchange	**(4,862)**	8,264
	274,446	258,390

(b) Geographical information

The Group's business segments operate substantially in Malaysia. In determining the geographical segments of the Group, revenues are based on the country in which the customer or international operator is located. Non-current assets by geographical segments are not disclosed as all operations of the Group are based in Malaysia.

	Group 2012 RM'000	Group 2011 RM'000
Malaysia	**8,614,254**	8,456,662
Other countries[(1)]	**352,574**	343,259
Total revenue	**8,966,828**	8,799,921

Note:

(1) Represents revenue from roaming partners and hubbing revenue.

6 REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Mobile services	**8,268,582**	8,260,954	**–**	–
Enterprise fixed services	**203,190**	180,859	**–**	–
International gateway services	**195,420**	155,841	**–**	–
Home services	**30,801**	17,781	**–**	–
Sale of devices	**268,835**	184,486	**–**	–
Dividend income from subsidiaries	**–**	–	**2,606,000**	2,360,000
	8,966,828	8,799,921	**2,606,000**	2,360,000

7 PROFIT FROM OPERATIONS

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Allowance for:					
- impairment of receivables, deposits and prepayments		**117,149**	147,832	**–**	–
- inventories obsolescence		**9,812**	22,669	**–**	–
Amortisation of intangible assets	16	**180,030**	137,453	**–**	–
Auditors' remuneration:					
- fees for statutory audits:					
- auditors of the Group[(1)]		**1,207**	1,027	**49**	43
- others		**21**	21	**–**	–
- fees for audit related services:					
- auditors of the Group[(1)]		**1,066**	1,463	**640**	776
- others		**29**	–	**–**	–
- fees for other services:					
- auditors of the Group[(1)]		**110**	175	**–**	–
- member firms of PwC Malaysia[(2)]		**1,523**	1,318	**5**	4
Bad debts recovered		**(17,030)**	(14,267)	**–**	–
Commissions, sales and marketing expenses		**601,288**	587,787	**–**	–
Depreciation of property, plant and equipment	15	**1,182,586**	1,011,288	**–**	–
Device expense:					
- handset expense		**243,913**	157,904	**–**	–
- other device expense		**61,876**	37,388	**–**	–
(Gain)/loss on foreign exchange:					
- realised		**(4,200)**	(24,485)	**28**	50
- unrealised		**(4,862)**	8,264	**–**	1

Notes:

(1) *Fees incurred in connection with performance of quarterly reviews, agreed-upon procedures and regulatory compliance reporting paid or payable to PricewaterhouseCoopers ("PwC") Malaysia, auditors of the Group and of the Company.*

(2) *Fees incurred for assisting the Group in connection with tax compliance and advisory services paid or payable to member firms of PwC Malaysia, auditors of the Group and of the Company.*

7 PROFIT FROM OPERATIONS (CONTINUED)

The following items have been charged/(credited) in arriving at the profit from operations: (continued)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Government grant		**(20,707)**	(7,129)	**–**	–
Interconnect expenses		**856,419**	752,481	**–**	–
Licenses and spectrum related fees under the Communications and Multimedia Act, 1998		**143,011**	138,011	**–**	–
Loss on disposal of property, plant and equipment		**–**	1,761	**–**	–
Management fees charged by a subsidiary		**–**	–	**12,742**	11,743
Property, plant and equipment written off		**132,835**	40,647	**–**	–
Provision for:					
- network construction costs and settlements	28	**4,100**	–	**–**	–
- site rectification and decommissioning works	28	**–**	901	**–**	–
- staff incentive scheme	28	**50,092**	49,314	**–**	–
Rental income from network cell sites		**(15,935)**	–	**–**	–
Rental of land and buildings		**52,566**	56,120	**–**	–
Rental of equipment		**18,068**	20,012	**–**	–
Rental of network cell sites		**248,962**	246,765	**–**	–
Reversal of allowance for:					
- impairment of receivables, deposits and prepayments		**(20,072)**	(12,335)	**–**	–
- inventories obsolescence		**(6,578)**	(1,165)	**–**	–
Roaming expense		**165,843**	194,869	**–**	–
Service tax on mobile prepaid services		**218,344**	222,288	**–**	–
Staff cost:					
- Directors' fees	8	**2,768**	2,760	**2,768**	2,760
- staff cost (including Executive Director's salaries and other short-term employee benefits)	10	**469,432**	440,618	**–**	–
Universal Service Provision contributions		**441,837**	436,618	**–**	–
Write-back of provision for:					
- site rectification and decommissioning works	28	**(1,440)**	–	**–**	–
- staff incentive scheme	28	**(9,017)**	(166)	**–**	–

The Audit Committee, in ensuring the independence of the Group's external auditors is consistently maintained, has set out clear policies and guidelines as to the type of non-audit services that can be offered as well as a structured approval process that has to be adhered to before any such non-audit services are commissioned. Under these policies and guidelines, non-audit services can be offered by the Group's external auditors if the Group can realise efficiencies and value-added benefits from such services.

8 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Non-Executive Directors

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
Robert William Boyle
Dato' Mokhzani bin Mahathir
Asgari bin Mohd Fuad Stephens
Dr. Fahad Hussain S. Mushayt
Augustus Ralph Marshall
Chan Chee Beng
Alvin Michael Hew Thai Kheam (appointed with effect from 30 August 2012)
Dr. Ibrahim Abdulrahman H.Kadi (appointed with effect from 26 November 2012)
Krishnan Ravi Kumar (appointed with effect from 26 November 2012)
Dr. Zeyad Thamer H. AlEtaibi (resigned with effect from 15 September 2012)
Ghassan Hasbani (resigned with effect from 20 October 2012)

Executive Director

Sandip Das

The aggregate amount of emoluments received/receivable by Directors of the Company during the financial year is as follows:

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-Executive Directors					
Fees	7	**2,768**	2,760	**2,768**	2,760
Estimated monetary value of benefits-in-kind		**52**	38	**52**	38
		2,820	2,798	**2,820**	2,798
Executive Director[1]					
Salaries and other short-term employee benefits		**4,306**	4,676	**198**	348
ESOS – Equivalent Cash Consideration[2]		**5,064**	5,064	**–**	–
Estimated monetary value of benefits-in-kind		**171**	324	**8**	24
		9,541	10,064	**206**	372
Total Directors' remuneration		**12,361**	12,862	**3,026**	3,170

Notes:

(1) *The remuneration for the Executive Director was paid by Maxis Mobile Sdn. Bhd., a wholly-owned subsidiary of the Company and provider of corporate support and services functions for the Group, and charged to the Company as management fees.*

(2) *In prior years, the immediate holding company operated an equity-settled, share-based compensation plan for eligible employees and full-time Executive Directors pursuant to its ESOS.*

8 DIRECTORS' REMUNERATION (CONTINUED)

The remuneration of the Company's Directors analysed in bands of RM50,000 are as follows:

Range of remuneration[1]	Executive	Non-Executive
RM1 – RM50,000	–	2
RM50,001 – RM100,000	–	1
RM150,001 – RM200,000	–	1
RM200,001 – RM250,000	–	1
RM250,001 – RM300,000	–	4
RM300,001 – RM350,000	–	1
RM350,001 – RM400,000	–	1
RM500,001 – RM550,000	–	1
RM9,500,001 – RM9,550,000	1	–

Note:

(1) *Remuneration paid to the Directors of the Company include fees, salaries, other emoluments including bonus, employer's contribution to retirement benefits and other benefits, share-based payments and estimated monetary value of benefits-in-kind.*

9 KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel comprise persons including Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel excluding Directors of the Company during the financial year is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Salaries and other short-term employee benefits	**31,015**	32,154	**958**	1,452
Defined contribution plan	**1,944**	2,283	**51**	97
Estimated monetary value of benefits-in-kind	**1,389**	1,251	**49**	51
ESOS expense	**402**	153	**–**	–
	34,750	35,841	**1,058** [1]	1,600 [1]

Note:

(1) *The key management personnel remuneration was paid by Maxis Mobile Sdn. Bhd., a wholly-owned subsidiary of the Company and provider of corporate support and services functions for the Group, and charged to the Company as management fees.*

The total key management personnel remuneration of the Group and of the Company for the financial year is RM47,111,000 (2011: RM48,703,000) and RM4,084,000 (2011: RM4,770,000) respectively.

10 STAFF COST (INCLUDING EXECUTIVE DIRECTOR'S SALARIES AND OTHER SHORT-TERM EMPLOYEE BENEFITS)

	Note	Group 2012 RM'000	Group 2011 RM'000
Wages, salaries and bonuses		**375,689**	350,577
Defined contribution plan		**41,800**	38,838
Other employee benefits		**49,516**	50,535
ESOS expense	31(b)	**2,427**	668
		469,432	440,618

11 FINANCE INCOME AND COSTS

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
(a) Finance income					
Interest income on:					
- deposits with licensed banks		**47,110**	39,873	**15,781**	2,344
- loans due from subsidiaries		**–**	–	**72,725**	83,421
- others		**3,947**	–	**–**	–
		51,057	39,873	**88,506**	85,765
(b) Finance costs					
Accretion of site rectification and decommissioning works costs and changes in costs estimate on provision (net)	28	**(2,246)**	(22,445)	–	–
(Gain)/loss on foreign exchange on bank loans		**(109,230)**	95,641	**(109,230)**	95,641
Interest expense on:					
- bank loans		**227,804**	278,121	**227,804**	278,121
- deferred payment creditors		**2,030**	903	**–**	–
- finance leases		**1,991**	4,137	**–**	–
- loan from a related party		**2,520**	2,463	**–**	–
- others		**402**	182	**–**	–
Loans documentation fees		**214**	3,766	**214**	3,766
Net fair value loss/(gain) on cross currency interest rate swaps and interest rate swaps: cash flow hedge, reclassified from equity	32(c)	**109,833**	(95,268)	**109,833**	(95,268)
Profit on Islamic Medium Term Notes		**105,345**	–	**105,345**	–
		338,663	267,500	**333,966**	282,260

12 TAX EXPENSES

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax (Malaysian):					
- current year		**787,231**	707,157	**1,570**	830
- over accrual in prior years		**(68,059)**	(139,707)	**(14)**	(3)
		719,172	567,450	**1,556**	827
Deferred tax:					
- origination and reversal of temporary differences		**(79,645)**	(10,657)	**–**	–
- recognition and reversal of prior years temporary differences		**76,514**	(83,556)	**–**	–
	23	**(3,131)**	(94,213)	**–**	–
Tax expenses		**716,041**	473,237	**1,556**	827

The Malaysian income tax is calculated at the statutory tax rate of 25% (2011: 25%) on the estimated chargeable profit for the financial year. Taxes in foreign jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

The explanation of the relationship between the tax expenses and profit before tax is as follows:

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Numerical reconciliation between the Malaysian tax rate and average effective tax rate				
Malaysian tax rate	**25**	25	**25**	25
Tax effects of:				
- expenses not deductible for tax purposes	**4**	2	**3**	3
- income not subject to tax	**–**	–	**(28)**	(28)
- effect of tax incentive	**(1)**	(4)	**–**	–
- recognition and reversal of prior years temporary differences	**3**	(3)	**–**	–
- over accrual in prior years	**(3)**	(4)	**–**	–
Average effective tax rate	**28**	16	**–**	–

In the prior year, one of the subsidiaries of the Group was granted Investment Allowance under the Last Mile Broadband Tax Incentive by the Ministry of Finance. This has resulted in the recognition of tax credits amounting to RM352,347,000 in respect of prior financial years. During the financial year, the Group recognised additional tax credits of RM31,378,000 arising from the tax incentive.

The gazetted Finance Act 2007 introduced a single-tier company income tax system with effect from year of assessment 2008. Under the single-tier system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax-exempt in the hands of the shareholder. The Section 108 tax credit as at 31 December 2007 will be available to the companies until such time that the credit is fully utilised or upon expiry of the six years transitional period on 31 December 2013, whichever is earlier, unless the company opts to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007.

Subject to agreement by the tax authorities, a subsidiary of the Group has sufficient Section 108 tax credits to frank approximately RM7,239,000 (2011: RM7,239,000) of its retained earnings if paid out as dividends.

13 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2012	**2011**
Profit attributable to the equity holders of the Company (RM'000)	**1,856,299**	2,526,872
Weighted average number of issued ordinary shares ('000)	**7,500,192**	7,500,000
Basic earnings per share (sen)	**24.75**	33.69

(b) Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of shares in issue and issuable under the exercise of share options granted to employees. The weighted average number of issued ordinary shares has been adjusted to assume full conversion of all dilutive potential ordinary shares, which consists solely of share options granted to employees.

	Group	
	2012	**2011**
Profit attributable to the equity holders of the Company (RM'000)	**1,856,299**	2,526,872
Weighted average number of issued ordinary shares ('000)	**7,500,192**	7,500,000
Adjustment for share options granted ('000)	**1,645**	–
Adjusted weighted average number of ordinary shares for diluted earnings per share ('000)	**7,501,837**	7,500,000
Diluted earnings per share (sen)	**24.74**	33.69[1]

Note:

[1] *The diluted earnings per share was the same as basic earnings per share as the effect of dilutive potential ordinary shares was anti-dilutive.*

14 DIVIDENDS

	Group and Company			
	2012		2011	
	Single-tier tax-exempt dividend per share Sen	Amount of dividends, single-tier tax-exempt RM'000	Single-tier tax-exempt dividend per share Sen	Amount of dividends, single-tier tax-exempt RM'000
Dividends paid in respect of the financial year ended 31 December 2010:				
- fourth interim ordinary	–	–	8.0	600,000
- final ordinary	–	–	8.0	600,000
	–	–	16.0	1,200,000
Dividends paid in respect of the financial year ended 31 December 2011:				
- first interim ordinary	–	–	8.0	600,000
- second interim ordinary	–	–	8.0	600,000
- third interim ordinary	–	–	8.0	600,000
- fourth interim ordinary	**8.0**	**600,000**	–	–
- final ordinary	**8.0**	**600,000**	–	–
	16.0	**1,200,000**	24.0	1,800,000
Dividends paid in respect of the financial year ended 31 December 2012:				
- first interim ordinary	**8.0**	**600,000**	–	–
- second interim ordinary	**8.0**	**600,038**	–	–
- third interim ordinary	**8.0**	**600,046**	–	–
	24.0	**1,800,084**	–	–
Dividend per share recognised as distribution to ordinary equity holders of the Company	**40.0**	**3,000,084**	40.0	3,000,000

Subsequent to the financial year, on 26 February 2013, the Directors declared a fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012 which will be paid on 29 March 2013.

The Directors recommend the payment of a final single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012, which is subject to the shareholders' approval at the forthcoming Annual General Meeting, and will be paid on a date to be determined.

15 PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2012 RM'000	Additions RM'000	Change in cost estimate (Note 28) RM'000	Reclassi-fications RM'000	Disposals RM'000	Assets written off RM'000	Currency translation differences RM'000	As at 31.12.2012 RM'000
2012								
Group								
At cost								
Long-term leasehold land	3,111	–	–	–	–	–	–	3,111
Short-term leasehold land	3,490	–	–	–	–	–	–	3,490
Freehold land	18,260	–	–	–	–	–	–	18,260
Buildings	76,756	–	–	–	–	–	–	76,756
Telecommunications equipment	6,473,655	2,968	11,767	349,849	–	(442,226)	4	6,396,017
Motor vehicles	10,989	–	–	–	–	–	–	10,989
Office furniture, fittings and equipment	414,971	21,082	612	275,737	–	(12,689)	–	699,713
	7,001,232	24,050	12,379	625,586	–	(454,915)	4	7,208,336
Capital work-in-progress	390,675	766,801	–	(625,586)	–	(46,163)	–	485,727
	7,391,907	790,851	12,379	–	–	(501,078)	4	7,694,063

	As at 1.1.2012 RM'000	Additions RM'000	Change in cost estimate (Note 28) RM'000	Reclassi-fications RM'000	Released on disposals RM'000	Assets written off RM'000	Currency translation differences RM'000	As at 31.12.2012 RM'000
2012								
Group								
Accumulated depreciation								
Long-term leasehold land	87	36	–	–	–	–	–	123
Short-term leasehold land	179	82	–	–	–	–	–	261
Buildings	4,972	1,998	–	–	–	–	–	6,970
Telecommunications equipment	2,145,599	1,103,025	–	(110,015)	–	(356,607)	1	2,782,003
Motor vehicles	1,047	2,549	–	–	–	–	–	3,596
Office furniture, fittings and equipment	268,949	74,896	–	110,015	–	(11,636)	–	442,224
	2,420,833	1,182,586	–	–	–	(368,243)	1	3,235,177

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	As at 1.1.2011 RM'000	Additions RM'000	Change in cost estimate (Note 28) RM'000	Reclassi-fications RM'000	Disposals RM'000	Assets written off RM'000	Currency translation differences RM'000	As at 31.12.2011 RM'000
2011								
Group								
Long-term leasehold land	3,111	–	–	–	–	–	–	3,111
Short-term leasehold land	3,490	–	–	–	–	–	–	3,490
Freehold land	18,260	–	–	–	–	–	–	18,260
Buildings	76,756	–	–	–	–	–	–	76,756
Telecommunications equipment	5,449,560	15,949	(13,535)	1,079,837	(3,785)	(54,375)	4	6,473,655
Motor vehicles	4,631	10,971	–	–	(4,613)	–	–	10,989
Office furniture, fittings and equipment	351,802	6,462	(57)	61,110	(5)	(4,341)	–	414,971
	5,907,610	33,382	(13,592)	1,140,947	(8,403)	(58,716)	4	7,001,232
Capital work-in-progress	551,077	995,573	–	(1,140,947)	–	(15,028)	–	390,675
	6,458,687	1,028,955	(13,592)	–	(8,403)	(73,744)	4	7,391,907

	As at 1.1.2011 RM'000	Additions RM'000	Change in cost estimate (Note 28) RM'000	Reclassi-fications RM'000	Released on disposals RM'000	Assets written off RM'000	Currency translation differences RM'000	As at 31.12.2011 RM'000
2011								
Group								
Accumulated depreciation								
Long-term leasehold land	48	39	–	–	–	–	–	87
Short-term leasehold land	100	79	–	–	–	–	–	179
Buildings	2,974	1,998	–	–	–	–	–	4,972
Telecommunications equipment	1,229,946	949,622	(2,850)	–	(1,601)	(29,519)	1	2,145,599
Motor vehicles	3,115	2,476	–	–	(4,544)	–	–	1,047
Office furniture, fittings and equipment	215,458	57,074	–	–	(5)	(3,578)	–	268,949
	1,451,641	1,011,288	(2,850)	–	(6,150)	(33,097)	1	2,420,833

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Net book value			
Long-term leasehold land	**2,988**	3,024	3,063
Short-term leasehold land	**3,229**	3,311	3,390
Freehold land	**18,260**	18,260	18,260
Buildings	**69,786**	71,784	73,782
Telecommunications equipment	**3,614,014**	4,328,056	4,219,614
Motor vehicles	**7,393**	9,942	1,516
Office furniture, fittings and equipment	**257,489**	146,022	136,344
Capital work-in-progress	**485,727**	390,675	551,077
	4,458,886	4,971,074	5,007,046

Capital work-in-progress is reclassified to the respective categories of property, plant and equipment on completion.

For the current financial year, the Group revised the useful lives of certain telecommunications equipment ranging from 7 years to 20 years to a remaining useful lives ranging from 1 month to 10 years as part of the network modernisation programme to support the business. The revision was accounted as a change in accounting estimate and as a result, the depreciation charge for the current financial year has increased by RM162,461,000.

For the financial year ended 31 December 2011, the Group revised the useful lives of certain telecommunications equipment and office equipment ranging from 4 years to 20 years to a remaining useful lives ranging from 16 months to 20 years as part of the network modernisation programme to support the business. The revision was accounted as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 31 December 2011 had increased by RM16,782,000.

Additions in property, plant and equipment during the financial year include purchases by means of finance leases and deferred payment schemes amounting to RM Nil (2011: RM21,384,000) and RM78,008,000 (2011: RM16,370,000) respectively.

The net book value of property, plant and equipment held under finance leases at the reporting date are as follows:

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Office equipment[1]	**–**	53,615	61,042
Motor vehicles	**6,567**	8,662	22
	6,567	62,277	61,064

Note:

[1] *The finance lease arrangement for office equipment with net book value of RM47,248,000 was terminated during the financial year and the titles to these office equipment were transferred to the Group upon payment of the termination and/or exit charges.*

16 INTANGIBLE ASSETS

Group	Goodwill RM'000	Telecommunications licences with allocated spectrum rights RM'000	Customer acquisition costs RM'000	Total RM'000
2012				
As at 1 January 2012	**219,087**	**10,707,381**	**133,181**	**11,059,649**
Additions during the financial year	**–**	**–**	**272,383**	**272,383**
Amortisation charge for the financial year (included within administrative expenses)	**–**	**–**	**(180,030)**	**(180,030)**
As at 31 December 2012	**219,087**	**10,707,381**	**225,534**	**11,152,002**
Cost	**219,087**	**10,707,381**	**710,734**	**11,637,202**
Accumulated amortisation	**–**	**–**	**(485,200)**	**(485,200)**
As at 31 December 2012	**219,087**	**10,707,381**	**225,534**	**11,152,002**
2011				
As at 1 January 2011	219,087	10,707,381	92,951	11,019,419
Additions during the financial year	–	–	177,683	177,683
Amortisation charge for the financial year (included within administrative expenses)	–	–	(137,453)	(137,453)
As at 31 December 2011	219,087	10,707,381	133,181	11,059,649
31.12.2011				
Cost	219,087	10,707,381	438,351	11,364,819
Accumulated amortisation	–	–	(305,170)	(305,170)
As at 31 December 2011	219,087	10,707,381	133,181	11,059,649
1.1.2011				
Cost	219,087	10,707,381	260,668	11,187,136
Accumulated amortisation	–	–	(167,717)	(167,717)
As at 1 January 2011	219,087	10,707,381	92,951	11,019,419

As at financial year end, the remaining amortisation periods of customer acquisition costs ranged from 1 to 23 months (31.12.2011: 1 to 23 months; 1.1.2011: 1 to 23 months).

16 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units containing goodwill and telecommunications licenses with allocated spectrum rights

For the purpose of impairment testing, carrying amounts of goodwill and telecommunications licenses with allocated spectrum rights are allocated to the Group's cash-generating units ("CGU") identified as mobile services.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on internally approved financial budgets covering five years (31.12.2011: five years; 1.1.2011: five years) period which reflect management's expectations of revenue and EBITDA margin based on past experience and future expectations of business performance.

The key assumptions used in the value in use calculations are as follows:

(a) five years (31.12.2011: five years; 1.1.2011: five years) financial budget period; and

(b) pre-tax discount rate of 14.0% (31.12.2011: 14.9%; 1.1.2011: 14.6%) derived in accordance with the requirements of MFRS 136 "Impairment of Assets" using the Group's post-tax discount rate of 8.1% (31.12.2011: 8.3%; 1.1.2011: 8.5%).

The key assumptions represent management's assessment of future trends in the regional mobile telecommunications industry and are based on both external sources and internal sources.

The discount rates used are pre-tax and reflect specific risks relating to the mobile services.

The forecasts are most sensitive to changes in discount rates in the forecast period. Based on the sensitivity analysis performed, the Directors have concluded that any variation of 10% in the base case assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

17 INTEREST IN SUBSIDIARIES

		Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Non-current assets:				
- investments in subsidiaries	18	**35,015,724**	35,013,428	35,012,760
- loans to subsidiaries	(a)	**1,325,916**	1,358,792	1,522,717
Current asset:				
- amount due from a subsidiary	(b)	**52**	175	–
Current liability:				
- amounts due to subsidiaries	(b)	**(1,101)**	(1,155)	(963)
		36,340,591	36,371,240	36,534,514

17 INTEREST IN SUBSIDIARIES (CONTINUED)

(a) Loans to subsidiaries - Interest bearing

The terms of the loans are as follows:

Company							
31.12.2012		31.12.2011		1.1.2011			
Principal amount RM'000	Loans out-standing RM'000	Principal amount RM'000	Loans out-standing RM'000	Principal amount RM'000	Loans out-standing RM'000	Currency denomi-nation	Repayment terms
1,200,000	**1,205,486**	1,200,000	1,205,758	1,200,000	1,205,854	RM	The loan is repayable based on a scheduled repayment as below: **Months after the first drawdown** / **Instalment %** 72 / 27.8 78 / 35.1 84 / 37.1
–	**–**	–	–	314,500	316,863	RM	The loan was fully repaid during the financial year ended 31 December 2011.
120,000	**120,430**	152,500	153,034	–	–	RM	The loan is repayable in one lump sum on 26 February 2021. However, this loan was partially repaid during the financial year ended 31 December 2012.
1,320,000	**1,325,916**	1,352,500	1,358,792	1,514,500	1,522,717		

The loans to subsidiaries are unsecured and carry interest rates ranging from 3.96% to 5.00% per annum (31.12.2011: 3.99% to 5.00%; 1.1.2011: 5.00% to 5.80%) as at the reporting date.

(b) Amounts due from/(to) subsidiaries - Non-interest bearing

The amounts due from/(to) subsidiaries are unsecured and with 30 days credit period (31.12.2011: 30 days; 1.1.2011: 30 days).

18 INVESTMENTS IN SUBSIDIARIES

	Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares, at cost	**35,012,760**	35,012,760	35,012,760
Fair value of share options granted to employees of subsidiaries, net of shares issued	**2,964**	668	–
	35,015,724	35,013,428	35,012,760

The information on the subsidiaries is as follows:

Name	Principal activities	Group's effective equity interest			Paid-up capital		
		31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
Incorporated in Malaysia							
Advanced Wireless Technologies Sdn. Bhd. (517551-U)	Provider of wireless multimedia related services	**75%**	75%	75%	**RM3,333,336**	RM3,333,336	RM3,333,336
Maxis Broadband Sdn. Bhd. (234053-D)	Operator of a national public switched network and provider of internet and internet application services and includes owning, maintaining, building and operating radio facilities and associated switches	**100%**	100%	100%	**RM1,000,002**	RM1,000,002	RM1,000,002
Maxis Collections Sdn. Bhd. (383275-M)	Collector of telecommunications revenue for fellow subsidiaries	**100%**	100%	100%	**RM2**	RM2	RM2
Maxis International Sdn. Bhd. (240071-T)	Operator of an international gateway	**100%**	100%	100%	**RM2,500,002**	RM2,500,002	RM2,500,002
Maxis Mobile Sdn. Bhd. (229892-M)	Operator of mobile telecommunications for special niche projects such as Universal Service Provision, provider of corporate support and services functions to the penultimate holding company, immediate holding company and fellow subsidiaries and provider of hire purchase facility to a fellow subsidiary	**100%**	100%	100%	**RM2,500,002**	RM2,500,002	RM2,500,002

18 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The information on the subsidiaries is as follows: (continued)

Name	Principal activities	Group's effective equity interest			Paid-up capital		
		31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
Incorporated in Malaysia (continued)							
Maxis Mobile Services Sdn. Bhd. (73315-V)	Provider of mobile telecommunications products and services	**100%**	100%	100%	**RM1,293,884,000**	RM1,293,884,000	RM1,293,884,000
Maxis Multimedia Sdn. Bhd. (530188-A)	Provider of multimedia related services (dormant)	**100%**	100%	100%	**RM2**	RM2	RM2
Subsidiary of Advanced Wireless Technologies Sdn. Bhd.							
UMTS (Malaysia) Sdn. Bhd. (520422-D)	3G spectrum assignment holder	**75%**	75%	75%	**RM2,500,002**	RM2,500,002	RM2,500,002
Subsidiary of Maxis Broadband Sdn. Bhd.							
Maxis Online Sdn. Bhd. (235849-A)	Holder of investments (dormant)	**100%**	100%	100%	**RM2**	RM2	RM2
Subsidiary of Maxis Mobile Sdn. Bhd.							
Maxis Mobile (L) Ltd (LL-01709)[(1)]	Holder of investments	**100%**	100%	100%	**USD10,000**	USD10,000	USD10,000
Incorporated in the Republic of Singapore							
Subsidiary of Maxis International Sdn. Bhd.							
Maxis Asia Access Pte. Ltd. (200001826C)[(2)(3)]	Provider of international telecommunications services	**100%**	100%	100%	**SGD2**	SGD2	SGD2

Notes:

(1) *Maxis Mobile (L) Ltd is a company registered under the Labuan Companies Act, 1990, with shares issued in USD.*

(2) *Not audited by PwC.*

(3) *Maxis Asia Access Pte. Ltd. is a company established under the Companies Act, Cap. 50 of the Republic of Singapore, with shares issued in SGD.*

19 FINANCIAL INSTRUMENTS BY CATEGORY

		Group			Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Financial assets:							
Amount due from a subsidiary	17	**–**	–	–	**52**	175	–
Amount due from a fellow subsidiary	20	**1,674**	–	10	**–**	–	–
Amount due from immediate holding company	20	**446**	418	266	**1**	–	–
Amounts due from related parties	26	**12,929**	16,428	13,792	**–**	–	–
Loans to subsidiaries	17	**–**	–	–	**1,325,916**	1,358,792	1,522,717
Receivables and deposits	25	**734,994**	676,526	740,454	**252**	50	19
Cash and cash equivalents	27	**967,498**	838,125	897,621	**469,800**	81,405	79,554
Loans and receivables		**1,717,541**	1,531,497	1,652,143	**1,796,021**	1,440,422	1,602,290
Available-for-sale investment	21	**50**	50	–	**–**	–	–
Derivative financial instruments	22	**28,196**	3,201	–	**28,196**	3,201	–
Financial liabilities:							
Payables and accruals	29	**1,697,279**	1,696,553	1,854,055	**866**	1,816	1,608
Amounts due to related parties	26	**25,928**	23,214	42,944	**–**	–	–
Amounts due to subsidiaries	17	**–**	–	–	**1,101**	1,155	963
Amounts due to fellow subsidiaries	20	**29**	246	1,203	**–**	–	–
Amount due to immediate holding company	20	**–**	–	119	**–**	–	–
Borrowings	30	**6,773,880**	5,873,068	5,073,868	**6,766,898**	5,837,515	5,043,647
Loan from a related party	26	**38,188**	35,668	33,205	**–**	–	–
Other financial liabilities		**8,535,304**	7,628,749	7,005,394	**6,768,865**	5,840,486	5,046,218
Derivative financial instruments	22	**398,036**	366,177	348,452	**398,036**	366,177	348,452

20 FELLOW SUBSIDIARIES AND IMMEDIATE HOLDING COMPANY BALANCES

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Current assets:						
- amount due from a fellow subsidiary	**1,674**	–	10	**–**	–	–
- amount due from immediate holding company	**446**	418	266	**1**	–	–
Current liabilities:						
- amounts due to fellow subsidiaries	**(29)**	(246)	(1,203)	**–**	–	–
- amount due to immediate holding company	**–**	–	(119)	**–**	–	–
	2,091	172	(1,046)	**1**	–	–

The amounts due from/(to) fellow subsidiaries and immediate holding company are unsecured, non-interest bearing and with 30 days credit period (31.12.2011: 30 days; 1.1.2011: 30 days).

21 AVAILABLE-FOR-SALE INVESTMENT

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares, at cost	**50**	50	–

The Group has one-twenty fourth (1/24th) interest in Konsortium Rangkaian Serantau Sdn. Bhd. This entity was formed for the purpose of implementing one of the entry points projects to lower the costs of IP transit and domestic bandwidths by aggregating capacity of its shareholders to secure lower prices from suppliers. The fair value cannot be reliably measured as there is no active market upon which it is traded. Hence, it is carried at cost.

22 DERIVATIVE FINANCIAL INSTRUMENTS

		Group and Company				
	Note	31.12.2012		31.12.2011		1.1.2011
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Liabilities RM'000
Cross Currency Interest Rate Swaps ("CCIRSs"):	(a)					
- cash flow hedge on USD denominated borrowings		–	**398,036**	2,774	366,177	348,452
- cash flow hedge on SGD denominated borrowings		**3,677**	–	427	–	–
		3,677	**398,036**	3,201	366,177	348,452
Interest Rate Swaps ("IRSs"):	(b)					
- cash flow hedge on RM denominated borrowings		**24,519**	–	–	–	–
Non-current		**28,196**	**398,036**	3,201	366,177	348,452

The details of the derivative financial instruments are set out as below:

(a) CCIRSs

Commencement date	Contract/ Notional amount RM'000	Exchange Rate	Interest Rate
24 Feb 2010	**2,550,000**	The Group and Company pay RM in exchange for receiving USD at a predetermined exchange rate of RM3.40 to USD1.00 according to the scheduled principal and interest repayment of the syndicated loan in which principal exchange occurs semi-annually commencing from the fourth year of the syndicated loan.	The Group and Company pay a fixed interest rate of 4.75% per annum in exchange for receiving London Interbank Offered Rate ("LIBOR") plus a spread on the amortising outstanding principal amount.
13 Aug 2010	**314,500**	The Group and Company pay RM in exchange for receiving USD at a predetermined exchange rate of RM3.145 to USD1.00 for its principal and interest in which at the end of the tenure, principal is on bullet repayment basis.	The Group and Company pay a fixed interest rate of 5.25% per annum in exchange for receiving LIBOR plus a spread on the notional principal amount.
28 Feb 2011	**304,900**	The Group and Company pay RM in exchange for receiving USD at a predetermined exchange rate of RM3.048 to USD1.00 and RM3.050 to USD1.00 on each USD50 million respectively for its principal and interest in which at the end of the tenure, principal is on bullet repayment basis.	The Group and Company pay Kuala Lumpur Interbank Offered Rate ("KLIBOR") plus a spread in exchange for receiving LIBOR plus a spread on the notional principal amount.

22 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The details of the derivative financial instruments are set out as below: (continued)

(a) CCIRSs (continued)

Commencement date	Contract/ Notional amount RM'000	Exchange Rate	Interest Rate
28 Feb 2011	**167,300**	The Group and Company pay RM in exchange for receiving SGD at a predetermined exchange rate of RM2.39 to SGD1.00 for its principal and interest in which at the end of the tenure, principal is on bullet repayment basis.	The Group and Company pay KLIBOR plus a spread in exchange for receiving Singapore Swap Offer Rate ("SOR") plus a spread on the notional principal amount.
14 Jun 2011	**227,250**	The Group and Company pay RM in exchange for receiving USD at a predetermined exchange rate of RM3.03 to USD1.00 for its principal and interest in which at the end of the tenure, principal is on bullet repayment basis.	The Group and Company pay a fixed interest rate of 4.99% in exchange for receiving LIBOR plus a spread on the notional principal amount.

(b) IRSs

Commencement date	Contract/ Notional amount RM'000	Interest Rate
17 Jul 2012	**200,000**	The Group and Company pay a fixed interest rate of 3.50% per annum in exchange for receiving KLIBOR on the notional principal amount.
25 Jul 2012	**500,000**	The Group and Company pay a fixed interest rate of 3.43% per annum in exchange for receiving KLIBOR on the notional principal amount.

At the reporting date, the Group and the Company have recognised derivative financial assets and derivative financial liabilities of RM28,196,000 (31.12.2011: RM3,201,000; 1.1.2011: RM Nil) and RM398,036,000 (31.12.2011: RM366,177,000; 1.1.2011: RM348,452,000) respectively, a net increase of RM6,864,000 (2011: RM14,524,000) from the prior financial year, on remeasuring the fair values of the derivative financial instruments. The corresponding increase has been included in equity in the cash flow hedging reserve.

For the current financial year, RM109,833,000 was reclassified to the income statements to offset the net unrealised foreign exchange gain of RM109,230,000 which arose from the strengthening RM against USD offset by the weakening RM against SGD, and recognition of additional interest expense of RM603,000 as the underlying interest rates were lower than the hedged interest rates on the borrowings. This has resulted in a debit balance in the cash flow hedging reserve as at 31 December 2012 of RM105,680,000.

For the financial year ended 31 December 2011, RM95,268,000 was reclassified to the income statements to offset the unrealised foreign exchange loss of RM95,641,000 which arose from the weakening RM and USD offset by the recognition of additional interest expense of RM373,000 as the underlying interest rates were lower than the hedged interest rates on the borrowings. This has resulted in a debit balance in the cash flow hedging reserve as at 31 December 2011 of RM208,649,000.

22 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The gains or losses recognised in the cash flow hedging reserve in equity will be continuously released to the income statement within finance cost until the underlying borrowings are repaid.

As the Group and the Company intend to hold the borrowings and associated derivative instruments to maturity, any changes to the fair values of the derivative instruments will not impact the income statements and will be taken to the cash flow hedging reserve in equity.

The method and assumption applied in determining the fair value of derivatives are disclosed in Note 3(i) to the financial statements.

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

		Group	
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Deferred tax assets	**121,003**	120,870	95,906
Deferred tax liabilities	**(548,070)**	(551,068)	(620,317)
	(427,067)	(430,198)	(524,411)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

		Group	
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Deferred tax assets:			
- to be recovered after more than 12 months	**3**	1	–
- to be recovered within 12 months	**121,000**	120,869	95,906
	121,003	120,870	95,906
Deferred tax liabilities:			
- to be recovered after more than 12 months	**(548,070)**	(486,376)	(503,650)
- to be recovered within 12 months	**–**	(64,692)	(116,667)
	(548,070)	(551,068)	(620,317)
Deferred tax liabilities (net)	**(427,067)**	(430,198)	(524,411)

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets/(liabilities) during the financial year comprise the following:

Group	Note	Property, plant and equipment RM'000	Intangible assets RM'000	Deferred income RM'000	Provisions and accruals RM'000	Investment allowance RM'000	Others RM'000	Total RM'000
As at 1 January 2012		**(916,896)**	**(33,295)**	**88,742**	**259,667**	**171,411**	**173**	**(430,198)**
Credited/(charged) to income statement	12	**87,430**	**(23,088)**	**(4,378)**	**28,650**	**(90,363)**	**4,880**	**3,131**
As at 31 December 2012		**(829,466)**	**(56,383)**	**84,364**	**288,317**	**81,048**	**5,053**	**(427,067)**
As at 1 January 2011		(834,533)	(23,107)	84,757	138,620	109,286	566	(524,411)
(Charged)/credited to income statement	12	(82,363)	(10,188)	3,985	121,047	62,125	(393)	94,213
As at 31 December 2011		(916,896)	(33,295)	88,742	259,667	171,411	173	(430,198)

	Group 31.12.2012 RM'000	Group 31.12.2011 RM'000	Group 1.1.2011 RM'000
Deferred tax assets (before offsetting):			
- deferred income	**84,364**	88,742	94,692
- intangible assets	**–**	–	131
- provisions and accruals	**288,317**	259,667	138,620
- investment allowance	**81,048**	171,411	109,286
- others	**5,412**	419	1,088
	459,141	520,239	343,817
Offsetting	**(338,138)**	(399,369)	(247,911)
Deferred tax assets (after offsetting)	**121,003**	120,870	95,906
Deferred tax liabilities (before offsetting):			
- property, plant and equipment	**(829,466)**	(916,896)	(834,533)
- intangible assets	**(56,383)**	(33,295)	(23,238)
- deferred income	**–**	–	(9,935)
- others	**(359)**	(246)	(522)
	(886,208)	(950,437)	(868,228)
Offsetting	**338,138**	399,369	247,911
Deferred tax liabilities (after offsetting)	**(548,070)**	(551,068)	(620,317)

24 INVENTORIES

	Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Telecommunications materials and supplies	**12,022**	13,617	24,343
Telecommunications equipment	**11,256**	28,277	75,502
Devices	**94,552**	68,355	114,253
	117,830	110,249	214,098

The Group reversed RM6,578,000 (2011: RM1,165,000) in respect of part of an inventory write down that was not required subsequently as the Group was able to utilise those inventories.

25 RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group			Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade receivables	(a)	**641,283**	602,734	685,423	**–**	–	–
Other receivables		**70,487**	55,417	54,745	**252**	50	19
Deposits		**99,999**	107,132	95,337	**–**	–	–
Prepayments		**187,290**	181,485	195,875	**511**	1,044	1,353
		999,059	946,768	1,031,380	**763**	1,094	1,372
Allowance for impairment:	(b)						
- trade receivables		**(56,368)**	(70,681)	(80,049)	**–**	–	–
- other receivables		**(8,317)**	(5,120)	(2,104)	**–**	–	–
- deposits		**(12,090)**	(12,956)	(12,898)	**–**	–	–
		(76,775)	(88,757)	(95,051)	**–**	–	–
		922,284	858,011	936,329	**763**	1,094	1,372

(a) Trade receivables

The Group's credit policy provides trade receivables with credit periods of up to 30 days (31.12.2011: 30 days; 1.1.2011: 30 days). The Group has no significant exposure to any individual customer, geographical location or industry category. Significant credit and recovery risks associated with receivables have been provided for in the financial statements.

Given the varied nature of the Group's customer base, the following analysis of trade receivables by type of customer is considered the most appropriate disclosure of credit concentrations.

25 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables (continued)

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Subscribers:			
- individual	**285,079**	299,406	325,184
- corporate	**138,566**	126,354	112,936
Interconnect and roaming:			
- domestic	**119,475**	94,096	90,248
- international	**43,189**	18,827	50,719
Distributors	**54,974**	64,051	106,336
	641,283	602,734	685,423

Trade receivables are secured by subscribers' deposits and bank guarantees of RM36,189,000 (31.12.2011: RM41,994,000; 1.1.2011: RM50,888,000) and RM53,450,000 (31.12.2011: RM58,950,000; 1.1.2011: RM58,950,000) respectively.

The ageing analysis of the Group's gross trade receivables is as follows:

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Neither past due nor impaired	**473,206**	400,961	511,659
1 to 90 days past due not impaired	**17,152**	28,058	19,974
91 to 180 days past due not impaired	**1,379**	7,287	2,910
More than 180 days past due not impaired	**5,211**	3,809	3,201
	496,948	440,115	537,744
Impaired[1]	**144,335**	162,619	147,679
	641,283	602,734	685,423

Note:

[1] Represents gross trade receivables which have been either partially or fully impaired.

Trade receivables that are neither past due nor impaired

With respect to the trade receivables that are neither past due nor impaired, there is no indication as of the reporting date that the debtors will not meet their payment obligations since the Group selects the highest possible quality creditworthy counter parties. The quality of these trade receivables is such that management believes no impairment provision is necessary, except in situations where they are part of individually impaired trade receivables.

Trade receivables that are past due but not impaired

No allowance for impairment was made in respect of these past due trade receivables based on the past historical collection trends.

25 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(b) Allowance for impairment

Movement on the Group allowance for impairment of receivables and deposits is as follows:

	Group	
	2012 RM'000	2011 RM'000
As at 1 January	**88,757**	95,051
Charged to income statement	**117,149**	147,832
Reversed from income statement	**(20,072)**	(12,335)
Amount written off	**(109,059)**	(141,791)
As at 31 December	**76,775**	88,757

26 RELATED PARTIES BALANCES

		Group		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Current asset:				
- amounts due from related parties	(a)	**12,929**	16,428	13,792
Current liability:				
- amounts due to related parties	(a)	**(25,928)**	(23,214)	(42,944)
Non-current liability:				
- loan from a related party	(b)	**(38,188)**	(35,668)	(33,205)

(a) The amounts due from/(to) related parties are trade in nature, unsecured, interest free and ranging from 1 to 60 days credit period (31.12.2011: 1 to 60 days; 1.1.2011: 1 to 60 days).

(b) Loan from a related party is unsecured and is denominated in RM. The principal and interest of the loan are repayable at the end of five years from the drawdown date of 9 December 2005. The loan has been extended for another five years, expiring on 9 December 2015. The outstanding interest on the loan at the extension date has been capitalised. The effective interest rate as at the reporting date is 7.60% per annum (31.12.2011: 7.60%; 1.1.2011: 7.30%).

27 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year comprise the following:

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deposits with licensed banks	**881,585**	746,194	810,486	**468,693**	81,262	79,414
Cash and bank balances	**85,913**	91,931	87,135	**1,107**	143	140
Cash and cash equivalents	**967,498**	838,125	897,621	**469,800**	81,405	79,554

Deposits with licensed banks are held in short-term money market and fixed deposits.

Deposits with licensed banks of the Group and of the Company at the end of the financial year have an average maturity of 17 days (31.12.2011: 14 days; 1.1.2011: 9 days) and 19 days (31.12.2011: 10 days; 1.1.2011: 10 days) respectively. Bank balances are deposits held at call with banks.

The credit quality of bank balances and deposits with licensed banks can be assessed by reference to external credit ratings as follows:

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Local licensed banks(1):						
- AAA	**783,607**	701,108	836,476	**400,484**	81,278	75,527
- AA1	**88**	–	–	**–**	–	–
- AA2	**168,607**	66,909	44,524	**69,316**	127	4,027
- AA3	**–**	60,103	–	**–**	–	–
Offshore licensed bank(2):						
- Aa1	**–**	41	–	**–**	–	–
- Aa2	**37**	–	40	**–**	–	–
- A1	**14,536**	9,462	16,191	**–**	–	–
	966,875	837,623	897,231	**469,800**	81,405	79,554

Note:
Source: Bloomberg with ratings provided by:
(1) *RAM Ratings Services Berhad*
(2) *Moody's*

28 PROVISIONS FOR LIABILITIES AND CHARGES

	Note	Site rectification and decommi-ssioning works RM'000	Network construction costs and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
		Group			
As at 1 January 2012		**103,788**	**9,350**	**45,002**	**158,140**
Capitalised during the financial year		**1,164**	**–**	**–**	**1,164**
Changes in costs estimate on provision for site decommissioning works:					
- included in finance costs	11(b)	**(13,999)**	**–**	**–**	**(13,999)**
- included in property, plant and equipment		**12,379**	**–**	**–**	**12,379**
Charged to the income statement:					
- included in profit from operations	7	**–**	**4,100**	**50,092**	**54,192**
- included in finance costs	11(b)	**11,753**	**–**	**–**	**11,753**
Paid during the financial year		**(2,369)**	**–**	**(36,401)**	**(38,770)**
Reversed from the income statement	7	**(1,440)**	**–**	**(9,017)**	**(10,457)**
As at 31 December 2012		**111,276**	**13,450**	**49,676**	**174,402**
As at 1 January 2011		137,063	9,350	40,060	186,473
Capitalised during the financial year		2,516	–	–	2,516
Changes in costs estimate on provision for site decommissioning works:					
- included in finance costs	11(b)	(36,213)	–	–	(36,213)
- included in property, plant and equipment		(10,742)	–	–	(10,742)
Charged to the income statement:					
- included in profit from operations	7	901	–	49,314	50,215
- included in finance costs	11(b)	13,768	–	–	13,768
Paid during the financial year		(3,505)	–	(44,206)	(47,711)
Reversed from the income statement	7	–	–	(166)	(166)
As at 31 December 2011		103,788	9,350	45,002	158,140
Represented by:					
Current liabilities		**8,955**	**13,450**	**49,676**	**72,081**
Non-current liabilities		**102,321**	**–**	**–**	**102,321**
As at 31 December 2012		**111,276**	**13,450**	**49,676**	**174,402**

28 PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

	Group			
	Site rectification and decommi-ssioning works RM'000	Network construction costs and settlements RM'000	Staff incentive scheme RM'000	Total RM'000
Represented by: (continued)				
Current liabilities	10,113	9,350	45,002	64,465
Non-current liabilities	93,675	–	–	93,675
As at 31 December 2011	103,788	9,350	45,002	158,140
Current liabilities	10,527	9,350	40,060	59,937
Non-current liabilities	126,536	–	–	126,536
As at 1 January 2011	137,063	9,350	40,060	186,473

Descriptions of the above provisions are as disclosed in Note 3(p) to the financial statements.

Site rectification and decommissioning works

As at 31 December 2012, a provision of RM111,276,000 (31.12.2011: RM103,788,000; 1.1.2011: RM137,063,000) has been recognised for dismantling, removal and site restoration costs. The provision is estimated using the assumption that decommissioning will only take place upon the expiry of the lease terms (inclusive of secondary terms) of 15 to 30 years (31.12.2011: 15 to 30 years; 1.1.2011: 15 to 30 years). The provision has been estimated based on the current conditions of the sites, at the estimated costs to be incurred upon the expiry of lease terms and discounted at the current market interest rate available to the Group. The provisions will be utilised over the remaining lease periods which range from 1 to 16 years (31.12.2011: 1 to 16 years; 1.1.2011: 1 to 16 years).

Network construction costs and settlements

In the Directors' opinion, the outcome of the notices of termination, legal claims, negotiations for settlements and costs in respect of obligations under network construction contracts will not give rise to any significant loss beyond the amounts provided at the reporting date.

29 PAYABLES AND ACCRUALS

	Group			Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Current						
Intercarrier and roaming payables	**86,490**	39,474	55,222	**–**	–	–
Intercarrier and roaming accruals	**78,755**	62,865	62,493	**–**	–	–
Subscribers' deposits	**165,037**	132,743	141,019	**–**	–	–
Trade payables	**744,353**	908,256	1,095,827	**–**	–	–
Trade accruals	**406,235**	390,490	348,217	**–**	–	–
Other payables	**100,819**	111,625	114,008	**491**	39	11
Other accruals	**599,254**	763,053	842,400	**375**	1,777	1,597
Advance payments from subscribers	**53,641**	46,661	38,287	**–**	–	–
Deferred income	**320,511**	365,235	399,551	**–**	–	–
Payroll liabilities	**5,927**	5,398	4,693	**–**	–	–
Government grant	**72,317**	2,455	3,640	**–**	–	–
	2,633,339	2,828,255	3,105,357	**866**	1,816	1,608
Non-current						
Trade payables	**118,287**	59,351	41,884	**–**	–	–
Other accruals	**–**	1,213	4,322	**–**	–	–
	118,287	60,564	46,206	**–**	–	–
	2,751,626	2,888,819	3,151,563	**866**	1,816	1,608

Current trade payables and other payables of the Group and of the Company carry credit period of up to 120 days (31.12.2011: 120 days; 1.1.2011: 120 days). The Group's current and non-current trade payables include an amount of RM58,597,000 (31.12.2011: RM53,985,000; 1.1.2011: RM25,704,000), denominated in USD, which is payable under deferred payment schemes, repayable on a half-yearly basis in 10 to 11 equal instalments commencing from 30 to 36 months from the effective date and carry interest rates ranging from 2.28% to 2.71% (31.12.2011: 2.49%; 1.1.2011: 2.21%) per annum as at the reporting date.

The Group's other accruals include lease equalisation for office buildings with the remaining lease periods of five months (31.12.2011: 6 months to 1 year 5 months; 1.1.2011: 1 year 6 months to 2 years 5 months).

30 BORROWINGS

	Note	Group			Company		
		31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Current							
Secured							
Finance lease liabilities	(a)	**2,061**	13,846	13,201	**–**	–	–
Unsecured							
Term loan	(b)	**–**	1,450,104	–	**–**	1,450,104	–
		2,061	1,463,950	13,201	**–**	1,450,104	–
Non-current							
Secured							
Finance lease liabilities	(a)	**4,921**	21,707	17,020	**–**	–	–
Unsecured							
Syndicated term loans	(c)	**2,583,174**	2,671,802	2,595,934	**2,583,174**	2,671,802	2,595,934
Term loans	(b)	**1,701,278**	1,715,609	2,447,713	**1,701,278**	1,715,609	2,447,713
Islamic Medium Term Notes	(d)	**2,482,446**	–	–	**2,482,446**	–	–
		6,771,819	4,409,118	5,060,667	**6,766,898**	4,387,411	5,043,647
		6,773,880	5,873,068	5,073,868	**6,766,898**	5,837,515	5,043,647

(a) Finance lease liabilities

The Group leases motor vehicles under finance leases with lease terms of five years. The finance leases for motor vehicles have remaining lease terms of three to four years (31.12.2011: four to five years; 1.1.2011: one year) which has an option for one year extension. These leases are effectively secured as the rights to the leased motor vehicles revert to the lessor in the event of defaults.

During the financial year, finance lease arrangement for office equipment with an outstanding amount of RM22,576,000 was terminated and the titles to these office equipment were transferred to the Group upon payment of the termination and/or exit charges. The assets net book value at termination date was at RM47,248,000 as disclosed in Note 15 to the financial statements.

The weighted average effective interest rate of the Group's finance lease liabilities is 5.78% (31.12.2011: 15.44%; 1.1.2011: 14.37%) per annum.

30 BORROWINGS (CONTINUED)

(a) Finance lease liabilities (continued)

Finance lease liabilities represent outstanding obligations payable in respect of office equipment and motor vehicles acquired under finance lease commitment and are analysed as follows:

	Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Not later than one year	**2,411**	18,377	17,548
Later than one year and not later than five years	**5,252**	24,967	23,102
	7,663	43,344	40,650
Less: Future finance charges	**(681)**	(7,791)	(10,429)
Present value	**6,982**	35,553	30,221
Representing lease liabilities:			
- current	**2,061**	13,846	13,201
- non-current	**4,921**	21,707	17,020
	6,982	35,553	30,221

(b) Non-current and current unsecured term loans

(i) RM2,450,000,000 term loan

This term loan raised in 2010 was partly repaid in 2011 and fully settled during the 2012 financial year.

(ii) RM1,000,000,000 term loan

This term loan was drawn down on 27 December 2011 and is repayable in one lump sum on the loan's maturity date, 27 December 2022. As disclosed in Note 22 to the financial statements, the Company has entered into IRSs where the interest under this term loan is being partially hedged against fluctuations in KLIBOR.

(iii) USD100,000,000 term loans

These term loans were all drawn down on 28 February 2011 and are repayable in one lump sum on their respective loan maturity dates, 28 February 2021. As disclosed in Note 22 to the financial statements, the Company has entered into CCIRSs where the principal sum and interest under these term loans are being hedged against fluctuations in USD/RM exchange rate and in LIBOR.

(iv) SGD70,000,000 term loan

This term loan was drawn down on 28 February 2011 and is repayable in one lump sum on the loan's maturity date, 28 February 2021. As disclosed in Note 22 to the financial statements, the Company has entered into CCIRS where the principal sum and interest under this term loan is being hedged against fluctuations in SGD/RM exchange rate and in SOR.

(v) USD75,000,000 term loan

This term loan was drawn down on 14 June 2011 and is repayable in one lump sum on the loan's maturity date, 14 June 2021. As disclosed in Note 22 to the financial statements, the Company has entered into CCIRS where the principal sum and interest under this term loan is being hedged against fluctuations in USD/RM exchange rate and in LIBOR.

30 BORROWINGS (CONTINUED)

(c) Non-current unsecured syndicated term loans

(i) USD750,000,000 syndicated term loan

This syndicated term loan was drawn down on 24 February 2010 and is repayable in six semi-annual instalments commencing on 24 August 2014 with final maturity on 24 February 2017. As disclosed in Note 22 to the financial statements, the Company has entered into CCIRS where the principal sum and interest under this term loan is being hedged against fluctuations in USD/RM exchange rate and in LIBOR.

(ii) USD100,000,000 syndicated term loan

This syndicated term loan was drawn down on 13 August 2010 and is repayable in one lump sum on loan maturity date, 13 August 2020. As disclosed in Note 22 to the financial statements, the Company has entered into CCIRS where the principal sum and interest under this term loan is being hedged against fluctuations in USD/RM exchange rate and in LIBOR.

(d) Islamic Medium Term Notes

On 24 February 2012, the Company established an unrated Islamic Medium Term Notes Programme with an aggregate nominal value of up to RM2.45 billion ("Sukuk Programme") based on the Islamic principle of Musharakah. The Sukuk Programme has a tenure of 30 years from the date of first issue under the Sukuk Programme.

On the same date, the Company made the first issuance under the Sukuk Programme of RM2.45 billion nominal value with a tenure of 10 years ("Sukuk Musharakah") with the profit being payable semi-annually.

Maxis Mobile Services Sdn. Bhd. and Maxis Broadband Sdn. Bhd., both wholly owned subsidiaries of the Company provide unconditional and irrevocable corporate guarantees under the Sukuk Programme.

Contractual terms of borrowings

Group	Contractual interest rate/ profit margin at reporting date (per annum) %	Functional currency/ currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2012							
Secured							
Finance lease liabilities		RM/RM	6,982	2,061	2,183	2,738	–
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR[1]	RM/USD	2,583,174	–	368,746	1,911,818	302,610
Term loans	0.75% + COF[2]	RM/RM	995,692	–	–	–	995,692
	1.50% - 1.60% + LIBOR[1]	RM/USD	531,556	–	–	–	531,556
	1.25% + SOR[3]	RM/SGD	174,030	–	–	–	174,030
Islamic Medium Term Notes	5.00%	RM/RM	2,482,446	–	–	–	2,482,446
			6,773,880	2,061	370,929	1,914,556	4,486,334

Notes:

(1) *LIBOR denotes London Interbank Offered Rate.*

(2) *COF denotes Cost of Funds.*

(3) *SOR denotes Singapore Swap Offer Rate.*

30 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

Group	Contractual interest rate at reporting date (per annum) %	Functional currency/ currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2011							
Secured							
Finance lease liabilities		RM/RM	35,553	13,846	10,613	11,094	–
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR(1)	RM/USD	2,671,802	–	–	1,943,482	728,320
Term loans	0.75% - 1.25% + COF(2)	RM/RM	2,445,391	1,450,104	–	–	995,287
	1.50% - 1.60% + LIBOR(1)	RM/USD	550,501	–	–	–	550,501
	1.25% + SOR(3)	RM/SGD	169,821	–	–	–	169,821
			5,873,068	1,463,950	10,613	1,954,576	2,443,929
At 1 January 2011							
Secured							
Finance lease liabilities		RM/RM	30,221	13,201	6,880	10,140	–
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR(1)	RM/USD	2,595,934	–	–	1,129,400	1,466,534
Term loan	1.15% + COF(2)	RM/RM	2,447,713	–	2,447,713	–	–
			5,073,868	13,201	2,454,593	1,139,540	1,466,534

Notes:

(1) *LIBOR denotes London Interbank Offered Rate.*

(2) *COF denotes Cost of Funds.*

(3) *SOR denotes Singapore Swap Offer Rate.*

30 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

Company	Contractual interest rate/ profit margin at reporting date (per annum) %	Functional currency/ currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2012							
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR[1]	RM/USD	2,583,174	–	368,746	1,911,818	302,610
Term loans	0.75% + COF[2]	RM/RM	995,692	–	–	–	995,692
	1.50% - 1.60% + LIBOR[1]	RM/USD	531,556	–	–	–	531,556
	1.25% + SOR[3]	RM/SGD	174,030	–	–	–	174,030
Islamic Medium Term Notes	5.00%	RM/RM	2,482,446	–	–	–	2,482,446
			6,766,898	–	368,746	1,911,818	4,486,334
At 31 December 2011							
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR[1]	RM/USD	2,671,802	–	–	1,943,482	728,320
Term loans	0.75% - 1.25% + COF[2]	RM/RM	2,445,391	1,450,104	–	–	995,287
	1.50% - 1.60% + LIBOR[1]	RM/USD	550,501	–	–	–	550,501
	1.25% + SOR[3]	RM/SGD	169,821	–	–	–	169,821
			5,837,515	1,450,104	–	1,943,482	2,443,929

Notes:

(1) *LIBOR denotes London Interbank Offered Rate.*

(2) *COF denotes Cost of Funds.*

(3) *SOR denotes Singapore Swap Offer Rate.*

30 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

Company	Contractual interest rate at reporting date (per annum) %	Functional currency/ currency exposure	Total carrying amount RM'000	Maturity profile < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 1 January 2011							
Unsecured							
Syndicated term loans	1.35% - 1.60% + LIBOR[(1)]	RM/USD	2,595,934	–	–	1,129,400	1,466,534
Term loan	1.15% + COF[(2)]	RM/RM	2,447,713	–	2,447,713	–	–
			5,043,647	–	2,447,713	1,129,400	1,466,534

Notes:

(1) *LIBOR denotes London Interbank Offered Rate.*

(2) *COF denotes Cost of Funds.*

31 SHARE CAPITAL

(a) Share capital

	2012 and 2011 Group and Company '000	RM'000
Authorised ordinary shares of RM0.10 each		
As at 1 January/31 December	**12,000,000**	**1,200,000**

(b) ESOS

Pursuant to the ESOS implemented on 17 September 2009, the Company will make available new shares, not exceeding in aggregate 250,000,000 shares during the existence of the ESOS, to be issued under the share options granted. The ESOS is for the benefit of eligible employees and eligible directors (executive and non-executive) of the Group and of the Company. The ESOS is for a period of 10 years and is governed by the ESOS Bye-Laws as set out in the Company's Prospectus dated 28 October 2009 issued in relation to its initial public offering.

An ESOS Committee comprising Directors of the Company has been set up to administer the ESOS. The ESOS Committee may from time to time offer share options to eligible employees and eligible directors of the Group and of the Company to subscribe for new ordinary shares of RM0.10 each in the Company.

The salient features of the ESOS are as follows:

(i) The total number of shares which may be issued under the ESOS shall not exceed in aggregate 250,000,000 during the existence of the Scheme save and except for any circumstances which may be specified in the Bye-Laws;

(ii) Subject to the discretion of the Directors, any employee of the Company and its subsidiaries who has a written employment contract and any director (executive or non-executive) of the Company, shall be eligible to participate in the ESOS;

31 SHARE CAPITAL (CONTINUED)

(b) ESOS (continued)

The salient features of the ESOS are as follows: (continued)

(iii) The number of new shares that may be offered under the ESOS shall be at the discretion of the Directors after taking into consideration the performance, seniority and number of years of service as well as the employees' actual or potential contribution to the Group;

(iv) In the event of a change in the capital structure of the Company except under certain circumstances, the Directors may make or provide for adjustments to be made in the share options price and/or in the number of shares covered by outstanding share options as the Directors at their discretion, may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of the optionee or provide for adjustments in the number of shares to give the optionee the same proportion of the issued ordinary share capital of the Company to which the optionee was previously entitled;

(v) The subscription price upon the exercise of the share options under the ESOS shall be the weighted average market price quoted for the five market days immediately preceding the date on which the share options are granted;

(vi) The share options have a contractual term of 10 years. All share options shall become exercisable to the extent of one-third of the shares granted on each of the first three anniversaries from the date the share options were granted provided the optionee has been in continuous service with the Group throughout the period;

(vii) Subject to paragraph (vi) above, an optionee may exercise share options in whole or part in multiples of 100 shares only at such time in accordance with any guidelines as may be prescribed by the Directors from time to time; and

(viii) The optionees have no right to participate by virtue of the share options in any share issue of any other company. However, shares issued upon the exercise of the share options shall rank pari passu in all respects with the then existing issued shares save that they will not entitle the holders thereof to receive any rights or bonus issues or dividends or distributions the entitlement date of which precedes the date of issue of the shares.

Movements in the number of share options outstanding and their exercise prices are as follows:

			Number of options over ordinary shares of RM0.10 each in the Company					
Grant date	Expiry date	Exercise price RM/share	Outstanding as at 1.1.2012 '000	Granted '000	Exercised '000	Forfeited '000	Outstanding as at 31.12.2012 '000	Exercisable as at 31.12.2012 '000
2012								
1.7.2011	17.9.2019	5.45	11,306	–	(571)	(656)	10,079	3,347
1.7.2012	17.9.2019	6.41	–	20,415	(2)	(593)	19,820	255
			11,306	20,415	(573)	(1,249)	29,899	3,602
Weighted average exercise price (RM per share)			5.45	6.41	5.45	5.91	6.09	5.52
2011								
1.7.2011	17.9.2019	5.45	–	11,620	–	(314)	11,306	81

The share options exercised during the financial year resulted in 572,900 shares (2011: Nil) being issued and the related weighted average share price at the date of exercise was RM6.77 (2011: RM Nil) per share.

The weighted average remaining contractual life for the share options as at the reporting date is 6 years 8 months (2011: 7 years 8 months).

31 SHARE CAPITAL (CONTINUED)

(b) ESOS (continued)

The weighted average fair value of share options granted during the financial year determined using a modified Black Scholes model was RM0.28 (2011: RM0.18). The key inputs into the model were:

	Group and Company	
	2012	**2011**
Valuation assumptions:		
Weighted average share price at date of grant (per share)	**RM6.41**	RM5.45
Exercise price (per share)	**RM6.41**	RM5.45
Expected volatility	**9.8%**	9.3%
Expected share option life	**7.2 years**	8.2 years
Expected dividend yield per annum	**5.5%**	6.2%
Risk-free interest rate per annum	**3.5%**	4.3%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices since the Company's Initial Public Offering ("Listing").

Value of employee services received for issue of share options:

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Share options granted in 2011	**877**	668	**877**	668
Share options granted in 2012	**1,550**	–	**1,550**	–
Allocation to subsidiaries for share options granted to the employees of the subsidiaries	**–**	–	**(2,427)**	(668)
Total expense recognised as share-based payment	**2,427**	668	**–**	–

32 RESERVES

(a) Merger relief

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 the subsidiaries is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

(b) Reserve arising from reverse acquisition

The difference between the issued equity of the Company and issued equity of Maxis Mobile Services Sdn. Bhd. ("MMSSB") together with the deemed purchase consideration of subsidiaries other than MMSSB and the cash distribution to MCB, is recorded as reserve arising from reverse acquisition.

32 RESERVES (CONTINUED)

(c) Other reserves

Group	Note	Share-based payments in relation to the Listing RM'000	Share options RM'000	Cash flow hedging RM'000	Currency translation differences RM'000	Total RM'000
2012						
As at 1 January 2012		**53,074**	**668**	**(208,649)**	**15**	**(154,892)**
Currency translation differences		**–**	**–**	**–**	**(35)**	**(35)**
Net change in hedging:						
- fair value losses		**–**	**–**	**(6,864)**	**–**	**(6,864)**
- reclassified to finance costs	11(b)	**–**	**–**	**109,833**	**–**	**109,833**
Share options granted		**–**	**2,427**	**–**	**–**	**2,427**
Shares issued		**–**	**(131)**	**–**	**–**	**(131)**
As at 31 December 2012		**53,074**	**2,964**	**(105,680)**	**(20)**	**(49,662)**
2011						
As at 1 January 2011		53,074	–	(98,857)	45	(45,738)
Currency translation differences		–	–	–	(30)	(30)
Net change in hedging:						
- fair value losses		–	–	(14,524)	–	(14,524)
- reclassified to finance costs	11(b)	–	–	(95,268)	–	(95,268)
Share options granted		–	668	–	–	668
As at 31 December 2011		53,074	668	(208,649)	15	(154,892)

32 RESERVES (CONTINUED)

(c) Other reserves (continued)

Company	Note	Share-based payments in relation to the Listing RM'000	Share options RM'000	Cash flow hedging RM'000	Total RM'000
2012					
As at 1 January 2012		**53,074**	**668**	**(208,649)**	**(154,907)**
Net change in hedging:					
- fair value losses		**–**	**–**	**(6,864)**	**(6,864)**
- reclassified to finance costs	11(b)	**–**	**–**	**109,833**	**109,833**
Share options granted		**–**	**2,427**	**–**	**2,427**
Shares issued		**–**	**(131)**	**–**	**(131)**
As at 31 December 2012		**53,074**	**2,964**	**(105,680)**	**(49,642)**
2011					
As at 1 January 2011		53,074	–	(98,857)	(45,783)
Net change in hedging:					
- fair value losses		–	–	(14,524)	(14,524)
- reclassified to finance costs	11(b)	–	–	(95,268)	(95,268)
Share options granted		–	668	–	668
As at 31 December 2011		53,074	668	(208,649)	(154,907)

The share-based payment reserve represents discount on shares issued to retail investors in relation to the Listing.

The share options reserve comprises fair value share options granted less any shares issued under the ESOS. When share options are exercised, the proceeds received from the exercise of these share options together with the corresponding share options reserve, net of any directly attributable transactions costs are transferred to share capital (nominal value) and share premium. If the share options expire or lapse, the corresponding share options reserve attributable to these share options is transferred to retained earnings.

The cash flow hedging reserve represents the deferred fair value losses relating to derivative financial instruments used to hedge certain borrowings of the Group and of the Company.

The currency translation differences reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities.

33 FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities expose them to a variety of financial risks, including market risk (interest rate risk and foreign exchange risk), credit risk, liquidity risk and capital risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performances. The Group and the Company use derivative financial instruments to hedge designated risk exposures of the underlying hedge items and do not enter into derivative financial instruments for speculative purposes.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group and the Company have established financial risk management policies and procedures/mandates which provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(a) Market risk

Market risk is the risk that the fair value or future cash flow of the financial instruments that will fluctuate because of changes in market prices. The various components of market risk that the Group and the Company are exposed to are discussed below.

(i) Foreign exchange risk

The objectives of the Group's and of the Company's currency risk management policies are to allow the Group and the Company to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognised assets and liabilities. Forward foreign currency exchange contracts are used to manage foreign exchange exposures arising from all known material foreign currency denominated commitments as and when they arise and to hedge the movements in exchange rates by establishing the rate at which a foreign currency monetary item will be settled. Gains and losses on foreign currency forward contracts entered into as hedges of foreign currency monetary items are recognised in the financial statements when the exchange differences of the hedged monetary items are recognised in the financial statements. Cross currency interest rate swap contracts are also used to hedge the volatility in the cash flow attributable to variability in the foreign currency denominated borrowings from the inception to maturity of the borrowings.

The currency exposure of financial assets and financial liabilities of the Group and of the Company that are not denominated in the functional currency of the respective companies are set out below. Currency risks in respect of intragroup receivables and payables have been included in the Group's currency exposure table as this exposure is not eliminated at the Group level.

	Currency exposure at 31 December 2012				
Group	**SGD RM'000**	**USD RM'000**	**SDR RM'000**	**GBP RM'000**	**Others RM'000**
Functional currency Ringgit Malaysia					
Receivables	7	11,674	5,738	–	6
Deposits, bank and cash balances	–	16,489	–	–	37
Payables	(466)	(323,464)	(17,390)	(2,548)	(2,215)
Amounts due (to)/from related parties, net	–	(1,794)	4,856	–	(1,385)
Syndicated term loans	–	(2,583,174)	–	–	–
Term loans	(174,030)	(531,556)	–	–	–
Gross exposure	(174,489)	(3,411,825)	(6,796)	(2,548)	(3,557)
CCIRSs:					
- syndicated term loans	–	2,583,174	–	–	–
- term loans	174,030	531,556	–	–	–
Net exposure	(459)	(297,095)	(6,796)	(2,548)	(3,557)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Group	Currency exposure at 31 December 2011				
	SGD RM'000	USD RM'000	SDR RM'000	GBP RM'000	Others RM'000
Functional currency Ringgit Malaysia					
Receivables	–	23,364	62,411	–	140
Deposits, bank and cash balances	–	24,838	–	–	41
Payables	(412)	(243,342)	(35,861)	(1,046)	(4,656)
Amounts due from related parties, net	–	2,176	141	–	20
Syndicated term loans	–	(2,671,802)	–	–	–
Term loans	(169,821)	(550,501)	–	–	–
Gross exposure	(170,233)	(3,415,267)	26,691	(1,046)	(4,455)
CCIRSs:					
- syndicated term loans	–	2,671,802	–	–	–
- term loans	169,821	550,501	–	–	–
Net exposure	(412)	(192,964)	26,691	(1,046)	(4,455)

Group	Currency exposure at 1 January 2011				
	SGD RM'000	USD RM'000	SDR RM'000	GBP RM'000	Others RM'000
Functional currency Ringgit Malaysia					
Receivables	–	29,927	17,989	–	304
Deposits, bank and cash balances	–	23,126	–	–	40
Payables	(962)	(169,669)	(6,552)	(1,304)	(312)
Amounts due (to)/from related parties, net	–	(4,368)	255	–	–
Syndicated term loans	–	(2,595,934)	–	–	–
Gross exposure	(962)	(2,716,918)	11,692	(1,304)	32
CCIRSs:					
- syndicated term loans	–	2,595,934	–	–	–
Net exposure	(962)	(120,984)	11,692	(1,304)	32

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Company	SGD RM'000	USD RM'000	SDR RM'000	GBP RM'000	Others RM'000
	Currency exposure at 31 December 2012				
Functional currency Ringgit Malaysia					
Deposits, bank and cash balances	–	1	–	–	–
Payables	–	–	–	(32)	(4)
Syndicated term loans	–	(2,583,174)	–	–	–
Term loans	(174,030)	(531,556)	–	–	–
Gross exposure	(174,030)	(3,114,729)	–	(32)	(4)
CCIRSs:					
- syndicated term loans	–	2,583,174	–	–	–
- term loans	174,030	531,556	–	–	–
Net exposure	–	1	–	(32)	(4)

Company	SGD RM'000	USD RM'000	SDR RM'000	GBP RM'000	Others RM'000
	Currency exposure at 31 December 2011				
Functional currency Ringgit Malaysia					
Deposits, bank and cash balances	–	1	–	–	–
Syndicated term loans	–	(2,671,802)	–	–	–
Term loans	(169,821)	(550,501)	–	–	–
Gross exposure	(169,821)	(3,222,302)	–	–	–
CCIRSs:					
- syndicated term loans	–	2,671,802	–	–	–
- term loans	169,821	550,501	–	–	–
Net exposure	–	1	–	–	–

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Company	Currency exposure at 1 January 2011				
	SGD RM'000	USD RM'000	SDR RM'000	GBP RM'000	Others RM'000
Functional currency Ringgit Malaysia					
Deposits, bank and cash balances	–	1	–	–	–
Syndicated term loans	–	(2,595,934)	–	–	–
Gross exposure	–	(2,595,933)	–	–	–
CCIRSs:					
- syndicated term loans	–	2,595,934	–	–	–
Net exposure	–	1	–	–	–

The sensitivity of the Group's and of the Company's profit before tax for the year and equity to a reasonably possible change in the USD exchange rates against the Group's and the Company's functional currency, RM, with all other factors remaining constant and based on the composition of assets and liabilities at the reporting date are set out as below.

	Impact on profit before tax for the year				Impact on equity[1]	
	Group		Company		Group and Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
USD/RM						
- strengthened 5% (2011: 5%)	**(14,855)**	(9,648)	**–**	–	**11,040**	13,268
- weakened 5% (2011: 5%)	**14,855**	9,648	**–**	–	**(11,040)**	(13,268)

Note:
[1] *Represents cash flow hedging reserve*

The impacts on profit before tax for the year are mainly as a result of foreign currency gains/losses on translation of USD denominated receivables, deposits, bank balances and payables. For USD denominated borrowings, as these are effectively hedged, the foreign currency movements will not have any impact on the income statement.

Other balances denominated in foreign currencies are not significant and hence, profit is not materially impacted.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's and the Company's interest rate risk arises from deposits with licensed banks, deferred payment creditors, borrowings, loan from a related party and inter-company loans carrying fixed and variable interest rates. The objectives of the Group's and of the Company's interest rate risk management policies are to allow the Group and the Company to effectively manage the interest rate fluctuation through the use of fixed and floating interest rates debt and derivative financial instruments. The Group and the Company adopt a non-speculative stance which favours predictability over interest rate fluctuations. The interest rate profile of the Group's and of the Company's borrowings are also regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

The Group and the Company manage their cash flow interest rate risk by using cross currency interest rate swap contracts and interest rate swap contracts. Such swaps have the economic effect of converting certain borrowings from floating rates to fixed rates.

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap and interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

Group	Weighted average effective interest rate/ profit margin at reporting date (per annum) %	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Fixed interest rate/profit margin < 1 year RM'000	Fixed interest rate/profit margin 1-2 years RM'000	Fixed interest rate/profit margin 2-5 years RM'000	Fixed interest rate/profit margin > 5 years RM'000
At 31 December 2012							
Deposits with licensed banks	3.07	881,585	–	881,585	–	–	–
Trade payables	2.33	(58,597)	(58,597)	–	–	–	–
Finance lease liabilities	5.78	(6,982)	–	(2,061)	(2,183)	(2,738)	–
Syndicated term loans	1.94	(2,583,174)	(2,583,174)	–	–	–	–
Term loans	3.32	(1,701,278)	(1,701,278)	–	–	–	–
Islamic Medium Term Notes	5.01	(2,482,446)	–	–	–	–	(2,482,446)
Loan from a related party	7.60	(38,188)	(38,188)	–	–	–	–
Gross exposure		(5,989,080)	(4,381,237)	879,524	(2,183)	(2,738)	(2,482,446)
CCIRSs and IRSs:							
- syndicated term loans	4.81		2,583,174	–	(368,746)	(1,911,818)	(302,610)
- term loans	4.33		926,188	–	–	–	(926,188)
Net exposure			(871,875)	879,524	(370,929)	(1,914,556)	(3,711,244)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

Group	Weighted average effective interest rate at reporting date (per annum) %	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-5 years RM'000	Fixed interest rate > 5 years RM'000
At 31 December 2011							
Deposits with licensed banks	3.02	746,194	–	746,194	–	–	–
Trade payables	2.49	(53,985)	(53,985)	–	–	–	–
Finance lease liabilities	15.44	(35,553)	–	(13,846)	(10,613)	(11,094)	–
Syndicated term loans	2.13	(2,671,802)	(2,671,802)	–	–	–	–
Term loans	4.06	(3,165,713)	(3,165,713)	–	–	–	–
Loan from a related party	7.60	(35,668)	(35,668)	–	–	–	–
Gross exposure		(5,216,527)	(5,927,168)	732,348	(10,613)	(11,094)	–
CCIRSs:							
- syndicated term loans	4.81		2,671,802	–	–	(1,943,482)	(728,320)
- term loans	4.19		237,483	–	–	–	(237,483)
Net exposure			(3,017,883)	732,348	(10,613)	(1,954,576)	(965,803)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows: (continued)

Group	Weighted average effective interest rate at reporting date (per annum)	Total carrying amount	Floating interest rate	Fixed interest rate			
			< 1 year	< 1 year	1-2 years	2-5 years	> 5 years
	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011							
Deposits with licensed banks	2.75	810,486	–	810,486	–	–	–
Trade payables	2.21	(25,704)	(25,704)	–	–	–	–
Finance lease liabilities	14.37	(30,221)	–	(13,201)	(6,880)	(10,140)	–
Syndicated term loans	1.91	(2,595,934)	(2,595,934)	–	–	–	–
Term loan	4.38	(2,447,713)	(2,447,713)	–	–	–	–
Loan from a related party	7.30	(33,205)	(33,205)	–	–	–	–
Gross exposure		(4,322,291)	(5,102,556)	797,285	(6,880)	(10,140)	–
CCIRSs:							
- syndicated term loans	4.81		2,595,934	–	–	(1,129,400)	(1,466,534)
Net exposure			(2,506,622)	797,285	(6,880)	(1,139,540)	(1,466,534)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap and interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

Company	Weighted average effective interest rate/ profit margin at reporting date (per annum) %	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Fixed interest rate/profit margin < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2012							
Loans to subsidiaries	4.91	1,325,916	120,430	–	–	1,205,486	–
Deposits with licensed banks	3.09	468,693	–	468,693	–	–	–
Syndicated term loans	1.94	(2,583,174)	(2,583,174)	–	–	–	–
Term loans	3.32	(1,701,278)	(1,701,278)	–	–	–	–
Islamic Medium Term Notes	5.01	(2,482,446)	–	–	–	–	(2,482,446)
Gross exposure		(4,972,289)	(4,164,022)	468,693	–	1,205,486	(2,482,446)
CCIRSs and IRSs:							
- syndicated term loans	4.81		2,583,174	–	(368,746)	(1,911,818)	(302,610)
- term loans	4.33		926,188	–	–	–	(926,188)
Net exposure			(654,660)	468,693	(368,746)	(706,332)	(3,711,244)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows:

Company	Weighted average effective interest rate at reporting date (per annum) %	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Fixed interest rate < 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2011							
Loans to subsidiaries	4.89	1,358,792	153,034	–	–	758,404	447,354
Deposits with licensed banks	2.87	81,262	–	81,262	–	–	–
Syndicated term loans	2.13	(2,671,802)	(2,671,802)	–	–	–	–
Term loans	4.06	(3,165,713)	(3,165,713)	–	–	–	–
Gross exposure		(4,397,461)	(5,684,481)	81,262	–	758,404	447,354
CCIRSs:							
- syndicated term loans	4.81		2,671,802	–	–	(1,943,482)	(728,320)
- term loans	4.19		237,483	–	–	–	(237,483)
Net exposure			(2,775,196)	81,262	–	(1,185,078)	(518,449)

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The net exposure of financial assets and financial liabilities of the Group and of the Company to interest rate risk (before and after taking effect of cross currency interest rate swap contract) and the periods in which the borrowings mature or reprice (whichever is earlier) are as follows: (continued)

Company	Weighted average effective interest rate at reporting date (per annum) %	Total carrying amount RM'000	Floating interest rate < 1 year RM'000	Fixed interest rate < 1 year RM'000	Fixed interest rate 1-2 years RM'000	Fixed interest rate 2-5 years RM'000	Fixed interest rate > 5 years RM'000
At 1 January 2011							
Loans to subsidiaries	5.17	1,522,717	–	–	–	–	1,522,717
Deposits with licensed banks	2.67	79,414	–	79,414	–	–	–
Syndicated term loans	1.91	(2,595,934)	(2,595,934)	–	–	–	–
Term loan	4.38	(2,447,713)	(2,447,713)	–	–	–	–
Gross exposure		(3,441,516)	(5,043,647)	79,414	–	–	1,522,717
CCIRSs:							
- syndicated term loans	4.81		2,595,934	–	–	(1,129,400)	(1,466,534)
Net exposure			(2,447,713)	79,414	–	(1,129,400)	56,183

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The sensitivity of the Group's and of the Company's profit before tax for the year and equity to a reasonably possible change in RM and USD interest rates with all other factors held constant and based on composition of liabilities with floating interest rates at the reporting date are as follows:

	Impact on profit before tax for the year				Impact on equity[1]	
	Group		Company		Group and Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
RM						
- increased by 0.5% (2011: 0.5%)	**(1,659)**	(12,392)	**(891)**	(11,462)	**25,800**	–
- decreased by 0.5% (2011: 0.5%)	**1,659**	12,392	**891**	11,462	**(25,800)**	–
USD						
- increased by 0.5% (2011: 0.5%)	**(293)**	(270)	**–**	–	**52,515**	65,384
- decreased by 0.5% (2011: 0.5%)	**293**	270	**–**	–	**(52,515)**	(65,384)

Note:

[1] *Represents cash flow hedging reserve*

The impacts on profit before tax for the year are mainly as a result of interest expenses/income on floating rate payables, loan from a related party and borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship, as these are effectively hedged, the interest rate movements will not have any impact on the income statement.

(b) Credit risk

The objectives of the Group's and of the Company's credit risk management policies are to manage their exposure to credit risk from deposits, cash and bank balances, receivables, derivative financial instruments and inter-company loans. They do not expect any third parties to fail to meet their obligations given the Group's and the Company's policies of selecting creditworthy counter parties.

The Group has no significant concentration of credit risk as the Group's policy limits the concentration of financial exposure to any single counterparty. Credit risk of trade receivables is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting the Group's dealings with creditworthy business partners and customers. Trade receivables are monitored on an on-going basis via the Group's management reporting procedures. At the Company level, inter-company loans exposure to bad debts is not significant since the subsidiaries do not have historical default.

For deposits, cash and bank balances, the Group and the Company seek to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions. As for derivative financial instruments, the Group and the Company enter into the contracts with various reputable counterparties to minimise the credit risks. The Group and the Company consider the risk of material loss in the event of non-performance by the above parties to be unlikely. The Group's and the Company's maximum exposure to credit risk is equal to the carrying value of those financial instruments.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The objectives of the Group's and of the Company's liquidity risk management policies are to monitor rolling forecasts of the Group's and of the Company's liquidity requirements to ensure they have sufficient cash to meet operational needs, availability of funding by keeping committed credit lines and to meet external covenant compliance. Surplus cash held is invested in interest bearing money market deposits and time deposits. The Group and the Company are exposed to liquidity risk where there could be difficulty in raising funds to meet commitments associated with financial instruments.

The undiscounted contractual cash flow payables under the financial instruments as at the reporting date are as follows:

Group	Total[1] RM'000	< 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
<u>At 31 December 2012</u>					
Payables and accruals[2]					
- principal	1,697,193	1,578,906	11,382	71,245	35,660
- interest[3]	7,377	1,453	1,518	3,899	507
Amounts due to related parties	25,928	25,928	–	–	–
Amounts due to fellow subsidiaries	29	29	–	–	–
Loan from a related party					
- principal	33,060	–	–	33,060	–
- interest[3]	12,514	–	–	12,514	–
Finance lease liabilities	7,663	2,411	2,411	2,841	–
Bank borrowings[2]					
- principal	4,310,236	–	378,489	1,915,386	2,016,361
- interest[3]	696,712	99,924	98,545	225,468	272,775
Islamic Medium Term Notes					
- nominal value	2,450,000	–	–	–	2,450,000
- profit[3]	1,164,925	122,500	122,500	367,836	552,089
Net settled derivative financial instruments (CCIRSs and IRSs)[2][3]	744,926	112,600	151,851	389,517	90,958
	11,150,563	1,943,751	766,696	3,021,766	5,418,350

Notes:

(1) *As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile with the amounts disclosed in the statements of financial position.*

(2) *Foreign denominated financial instruments are translated to RM using closing rate as at the reporting date.*

(3) *Based on contractual interest rate/profit margin as at the reporting date.*

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The undiscounted contractual cash flow payables under the financial instruments as at the reporting date are as follows: (continued)

Group	Total[1] RM'000	< 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2011					
Payables and accruals[2]					
- principal	1,691,076	1,641,277	12,009	32,391	5,399
- interest[3]	4,343	1,342	1,137	1,799	65
Amounts due to related parties	23,214	23,214	–	–	–
Amounts due to fellow subsidiaries	246	246	–	–	–
Loan from a related party					
- principal	33,060	–	–	33,060	–
- interest[3]	12,514	–	–	12,514	–
Finance lease liabilities	43,344	18,377	13,346	11,621	–
Bank borrowings[2]					
- principal	5,869,466	1,450,000	–	1,960,819	2,458,647
- interest[3]	854,265	119,487	108,597	279,869	346,312
Net settled derivative financial instruments (CCIRSs)[2][3]	675,236	100,999	100,982	367,206	106,049
	9,206,764	3,354,942	236,071	2,699,279	2,916,472

Notes:

[1] *As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile with the amounts disclosed in the statements of financial position.*

[2] *Foreign denominated financial instruments are translated to RM using closing rate as at the reporting date.*

[3] *Based on contractual interest rates as at the reporting date.*

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The undiscounted contractual cash flow payables under the financial instruments as at the reporting date are as follows: (continued)

Company	Total[1] RM'000	< 1 year RM'000	1-2 years RM'000	2-5 years RM'000	> 5 years RM'000
At 31 December 2012					
Payables and accruals	**866**	**866**	**–**	**–**	**–**
Amounts due to subsidiaries	**1,101**	**1,101**	**–**	**–**	**–**
Bank borrowings[2]					
- principal	**4,310,236**	**–**	**378,489**	**1,915,386**	**2,016,361**
- interest[3]	**696,712**	**99,924**	**98,545**	**225,468**	**272,775**
Islamic Medium Term Notes					
- nominal value	**2,450,000**	**–**	**–**	**–**	**2,450,000**
- profit[3]	**1,164,925**	**122,500**	**122,500**	**367,836**	**552,089**
Net settled derivative financial instruments (CCIRSs and IRSs)[2][3]	**744,926**	**112,600**	**151,851**	**389,517**	**90,958**
	9,368,766	**336,991**	**751,385**	**2,898,207**	**5,382,183**
At 31 December 2011					
Payables and accruals	1,816	1,816	–	–	–
Amounts due to subsidiaries	1,155	1,155	–	–	–
Bank borrowings[2]					
- principal	5,869,466	1,450,000	–	1,960,819	2,458,647
- interest[3]	854,265	119,487	108,597	279,869	346,312
Net settled derivative financial instruments (CCIRSs)[2][3]	675,236	100,999	100,982	367,206	106,049
	7,401,938	1,673,457	209,579	2,607,894	2,911,008

Notes:

(1) *As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile with the amounts disclosed in the statements of financial position.*

(2) *Foreign denominated financial instruments are translated to RM using closing rate as at the reporting date.*

(3) *Based on contractual interest rate/profit margin as at the reporting date.*

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's abilities to continue as a going concern while at the same time provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders.

Under the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity of more than 25 percent of the issued and paid up capital (excluding treasury shares) and maintain such shareholders' equity not less than RM40 million. The Company has complied with this requirement.

The Company is also required by the external lenders to maintain financial covenant ratios on Group net debt to Group EBITDA and Group EBITDA to Group interest expense. These financial covenant ratios have been fully complied with by the Company for the financial years ended 31 December 2012, 31 December 2011 and 1 January 2011.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest bearing financial liabilities (including loan from a related party, current and non-current borrowings and derivative financial instruments on a net basis, and current and non-current trade payables as shown in the statements of financial position and Note 29 to the financial statements respectively) less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the statements of financial position. The gearing ratios at 31 December 2012, 31 December 2011 and 1 January 2011 were as follows:

		Group		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Total interest bearing financial liabilities		**7,311,577**	6,331,063	5,497,409
Less: Cash and cash equivalents	27	**(967,498)**	(838,125)	(897,621)
Net debt		**6,344,079**	5,492,938	4,599,788
Total equity		**7,057,305**	8,088,384	8,666,699
Gearing ratios		**0.90**	0.68	0.53

The increase in the gearing ratio as at 31 December 2012 is primarily due to the additional borrowings drawn down during the financial year.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation

(i) Financial instruments carried at amortised cost

The carrying amounts of non-current financial assets and liabilities of the Group and of the Company at the reporting date approximated their fair values except as set out below:

	Note	Group		Company	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2012					
Financial asset:					
Loans to subsidiaries	17	**–**	**–**	**1,205,486**	**1,192,548**
Financial liability:					
Borrowings					
- finance lease liabilities	30(a)	**4,921**	**4,604**	**–**	**–**
At 31 December 2011					
Financial asset:					
Loans to subsidiaries	17	–	–	1,205,758	1,204,457
Financial liabilities:					
Payables and accruals	29	1,213	1,138	–	–
Borrowings					
- finance lease liabilities	30(a)	21,707	19,458	–	–
At 1 January 2011					
Financial asset:					
Loans to subsidiaries	17	–	–	1,522,717	1,577,622
Financial liabilities:					
Payables and accruals	29	4,322	3,934	–	–
Borrowings					
- finance lease liabilities	30(a)	17,020	15,048	–	–

The basis for determining fair values is disclosed in Note 3(i) to the financial statements.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(ii) Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).

The following table represents the assets and liabilities measured at fair value, using Level 2 valuation method, at reporting date:

		Group and Company		
	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Derivative financial instruments (CCIRSs and IRSs):				
- assets		**28,196**	3,201	–
- liabilities		**(398,036)**	(366,177)	(348,452)
	22	**(369,840)**	(362,976)	(348,452)

34 CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment and intangible assets approved by the Directors and not provided for in the financial statements as at the reporting date is as follows:

	Group	
	2012 RM'000	2011 RM'000
Contracted for	**278,350**	177,104
Not contracted for	**670,845**	820,554
	949,195	997,658

35 OPERATING LEASE COMMITMENTS

Generally, the Group leases certain network infrastructure, offices and customer service centres under operating leases. The leases run for a period of 2 to 15 years (2011: 2 to 15 years). Certain operating leases contain renewal options with market review clauses. The Group does not have the option to purchase the leased assets at the expiry of the lease period.

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2012 RM'000	2011 RM'000
Not later than one year	**147,576**	160,788
Later than one year but not later than five years	**374,186**	419,541
Later than five years	**66,091**	111,216
	587,853	691,545

Included in the future minimum lease payments are lease commitments for network infrastructure which are subject to variation based on the number of co-sharing parties for each individual site.

36 RELATED PARTIES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions, balances and commitments. The related party transactions described below were carried out on agreed terms with the related parties. None of these balances are secured.

	Group							
	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sales of goods and services to:								
- MEASAT Broadcast Network Systems Sdn. Bhd.[(1)] (VSAT, telephony and international bandwidth services)	**38,134**	37,279	**503**	6,447	**–**	–	**503**	6,447
- Saudi Telecom Company ("STC")[(2)] (roaming and international calls)	**11,135**	14,035	**4,517**	2,312	**–**	–	**4,517**	2,312
- Aircel Limited Group[(3)] (interconnect, roaming and international calls)	**6,372**	13,779	**1,670**	17	**–**	–	**1,670**	17

36 RELATED PARTIES (CONTINUED)

	Group							
	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Purchases of goods and services from:								
- Aircel Limited Group(3) (interconnect, roaming and international calls)	**3,424**	14,371	**(25)**	(263)	**–**	–	**(25)**	(263)
- Tanjong City Centre Property Management Sdn. Bhd.(4) (rental, signage, parking and utility charges)	**32,270**	38,418	**5,705**	5,627	**(15,977)**	(45,429)	**(10,272)**	(39,802)
- MEASAT Global Berhad Group(5) (transponder and teleport lease rental)	**23,445**	18,942	**–**	–	**(42,220)**	(60,102)	**(42,220)**	(60,102)
- Astro Digital 5 Sdn. Bhd. (formerly known as Digital Five Sdn. Bhd.)(1) (content provision, publishing and advertising agent, consultancy and IPTV development services)	**43,470**	16,588	**(10,003)**	(9,004)	**–**	–	**(10,003)**	(9,004)
- Media Innovations Pty Ltd.(6) (consultancy and IPTV development services)	**28,531**	–	**–**	–	**–**	–	**–**	–
- MEASAT Broadcast Network Systems Sdn. Bhd.(1) (advertising, mobile, video and IPTV contents, and sponsorship of events)	**8,220**	8,656	**(1,483)**	(1,319)	**(50,000)**	–	**(51,483)**	(1,319)
- UTSB Management Sdn. Bhd.(4) (corporate management services fee)	**25,000**	25,000	**(2,208)**	(2,208)	**(19,875)**	(46,375)	**(22,083)**	(48,583)
- SRG Asia Pacific Sdn. Bhd.(4) (call handling and telemarketing services)	**23,732**	23,299	**(7,149)**	(5,194)	**–**	–	**(7,149)**	(5,194)
- STC(2) (roaming and international calls)	**4,674**	4,049	**–**	–	**–**	–	**–**	–
- UMTS (Malaysia) Sdn. Bhd.(7) (usage of 3G spectrum)	**30,427**	30,037	**2,637**	(2,704)	**–**	–	**2,637**	(2,704)

36 RELATED PARTIES (CONTINUED)

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

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

UTSB is ultimately controlled by PanOcean Management Limited ("PanOcean"), via Excorp Holdings N.V. and Pacific States Investment Limited, the intermediate and immediate holding companies of UTSB respectively. 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 and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in BGSM and MCB, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via an entity which is a direct shareholder of BGSM and held by companies ultimately controlled by TAK.

(1) Subsidiary of Astro Holdings Sdn. Bhd. ("AHSB"), an associate of UTSB
(2) A major shareholder of BGSM, who has joint control over BGSM, the ultimate holding company of the Company
(3) Subsidiaries of MCB
(4) Subsidiary of UTSB
(5) Companies controlled by TAK
(6) Associate of AHSB, an associate of UTSB
(7) Subsidiary of the Company and associate of AHSB. The transaction values and outstanding balances are eliminated in the consolidated financial statements

	Company	
	2012 RM'000	**2011 RM'000**
Amount charged by a subsidiary:		
- management fees	**12,742**	11,743
Payment on behalf of operating expenses for subsidiaries	**79**	1,077

37 CONTINGENT LIABILITIES

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

38 TRANSITION TO MFRS

In preparing the first set of financial statements in accordance with MFRS, MFRS provides first-time adopters certain transition elections as specified under the MFRS 1 "First-time Adoption of MFRS" from full retrospective application in the opening MFRS financial statements at 1 January 2011 (transition date). The Group and the Company have complied the following mandatory exception:

(a) Mandatory exception for estimates

MFRS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with FRS.

The Group and the Company have elected the following optional exemptions:

(b) Optional exemption for business combinations

MFRS 1 provides the option to apply MFRS 3 "Business Combinations" prospectively for business combinations that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 January 2011. Business combinations that occurred prior to 1 January 2011 have not been restated. In addition, the Group has also applied MFRS 127 "Consolidated and Separate Financial Statements" from the same date.

(c) Optional exemption for deemed cost – investments in subsidiaries

In accordance with the exemption in MFRS 1, the Company shall elect to measure certain investments in subsidiaries at cost determined in accordance with MFRS 127 "Consolidated and Separate Financial Statements" or deemed cost, being the fair value or FRS carrying amount as at transition date. The Company elected to measure its investments in subsidiaries at FRS carrying amount as at the transition date as its deemed cost.

Reconciliation of equity, comprehensive income and cash flows statement

The transition from FRS to MFRS has had no effect on the reported equity, comprehensive income and cash flows statements of the Group and of the Company.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 February 2013.

SUPPLEMENTARY INFORMATION

DISCLOSURE PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia.

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Realised	**566,514**	1,085,156	**5,661**	28,093
Unrealised	**(447,247)**	(465,588)	**–**	–
Total retained earnings	**119,267**	619,568	**5,661**	28,093
Less: Consolidation adjustments	**(33,842)**	(30,358)	**–**	–
Retained earnings as at 31 December	**85,425**	589,210	**5,661**	28,093

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia and should not be used for any other purpose.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Sandip Das, being two of the Directors of Maxis Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 92 to 184 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 185 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 26 February 2013.

RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA
DIRECTOR

SANDIP DAS
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Nasution bin Mohamed, the officer primarily responsible for the financial management of Maxis Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 184 and supplementary information set out on page 185 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

NASUTION BIN MOHAMED

Subscribed and solemnly declared by the above-named Nasution bin Mohamed at Kuala Lumpur in Malaysia on 26 February 2013, before me.

PESURUHJAYA SUMPAH MALAYSIA
No: W 626
Nama: HAJJAH JAMILAH ISMAIL

COMMISSIONER FOR OATHS

Lot 5.30, Tingkat 5
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAXIS BERHAD

(INCORPORATED IN MALAYSIA)
(COMPANY NO. 867573 A)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Maxis Berhad on pages 92 to 184 which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the income statements, statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in Notes 1 to 39.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditor's report of the subsidiary of which we have not acted as auditors, which is indicated in Note 18 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 185 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

PAULINE HO
(No. 2684/11/13 (J))
Chartered Accountant

Kuala Lumpur
26 February 2013

AUDIT COMMITTEE REPORT

AS AT 31 DECEMBER 2012

The Board of Maxis is pleased to present the Audit Committee Report for the financial year ended 31 December 2012.

MEMBERS AND MEETINGS

The Audit Committee ("the Committee") has five members, all of whom are non-executive directors and a majority of whom are independent, including the Chairman of the Committee.

All members of the Committee are financially literate and are able to read, analyse, interpret and understand financial statements in order to effectively discharge their duties and responsibilities as members of the Committee. Two of the members (Robert William Boyle and Chan Chee Beng) are Fellows of the Institute of Chartered Accountants in England and Wales. This meets the requirement prescribed under the Main Market Listing Requirements of Bursa Malaysia ("MMLR") which stipulate that an Audit Committee must comprise at least one qualified accountant as its member.

Details of the Committee members and the attendance of each member at Committee meetings during the financial year ended 31 December 2012 are set out below:

NAME	STATUS	INDEPENDENT	MEETINGS ATTENDED
Robert William Boyle, Chairman of the Committee (Appointed as Chairman on 16.10.09)	Non-Executive Director	Yes	7 out of 7
Dato' Mokhzani bin Mahathir (Appointed as Member on 16.10.09)	Non-Executive Director	Yes	7 out of 7
Asgari bin Mohd Fuad Stephens (Appointed as Member on 16.10.09)	Non-Executive Director	Yes	7 out of 7
Dr. Fahad Hussain S. Mushayt (Appointed as Member on 16.10.09)	Non-Executive Director	No	5 out of 7
Chan Chee Beng (Appointed as Member on 16.10.09)	Non-Executive Director	No	7 out of 7

During the financial year, the Committee conducted seven meetings. The Group's internal and external auditors and certain members of Senior Management attended all the meetings.

The Committee also held four separate private sessions with internal auditors and two with external auditors without the presence of the Management.

Deliberations during the Committee meetings were minuted. Minutes of the meetings were circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Chairman of the Committee reports regularly to the Board on the activities carried out by the Committee in the discharge of its duties and responsibilities, as set out in its terms of reference. During the financial year, the Committee reviewed and updated its terms of reference to be in line with the relevant amendments to the MMLR and the Malaysian Code on Corporate Governance 2012. The major activities undertaken by the Committee during the year are as follows:

Risks Management and Internal Control

- Reviewed the risk profile of the Group prepared by the Enterprise Risk Management department;
- Reviewed the progress of the risk management function in its on-going identification and monitoring of key risks and the controls implemented by the respective departments in managing these risks; and
- Evaluated the overall adequacy and effectiveness of the system of internal controls through a review of the results of work performed by internal and external auditors and discussions with key Senior Management.

Financial Reporting

- Reviewed with the appropriate officers of the Group, the quarterly financial results and annual audited financial statements of the Group, including the announcements pertaining thereto, before recommending their approval and the release of the Group's financial results to Bursa Malaysia to the Board.
- The reviews focused on the matters set out in Section 5 of the Terms of Reference, "Responsibilities" under the heading "Financial Reporting" as well as the following areas, where relevant:
  – MMLR;
  – Provisions of the Companies Act, 1965 and other legal and regulatory requirements;
  – Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board.
- Reviewed and ensured corporate disclosure policies and procedures of the Group (as they pertain to accounting, audit and financial matters) comply with the disclosure requirements as set out in the MMLR; and
- Reviewed related party transactions to ensure compliance with the MMLR and the Group's policies and procedures as well as the appropriateness of such transactions before recommending them to the Board for approval; and
- Reviewed the procedures for securing the shareholders' mandate for recurrent related party transactions.

Internal Audit

- Reviewed with the internal auditors, their audit plan for the financial year, ensuring that principal risk areas and key processes (identified by the Enterprise Risk Management department and Internal Audit department) were adequately identified and covered in the plan;
- Reviewed the recommendations by the internal auditors, the representations made and the corrective actions taken by Management in addressing and resolving issues and ensured that all issues were adequately addressed on a timely basis;
- Reviewed the results of ad-hoc investigations performed by the internal auditors and the actions taken relating to those investigations;
- Reviewed the adequacy of resources and the competencies of staff within the Internal Audit department to execute the audit plan, as well as the audit programmes used in the execution of the internal auditors' work and the results of their work;
- Reviewed the results of the internal assessment performed on the internal audit function;
- Reviewed the performance of Internal Audit department staff; and
- Reviewed the adequacy of the charter of the internal audit function.

External Audit

- Reviewed with the external auditors, their terms of engagement, proposed audit remuneration and the audit plan for the financial year to ensure that their scope of work adequately covers the activities of the Group;
- Reviewed the results and issues arising from the external auditors' review of the quarterly financial results and audit of the year-end financial statements and the resolution of issues highlighted in their report to the Committee;
- Reviewed the independence, suitability, objectivity and cost effectiveness of the external auditors before recommending their re-appointment and remuneration to the Board; and
- Reviewed the level of compliance of the external auditors with the Maxis external audit independence policy.

Employee Share Option Scheme

- Verified the allocation of share options pursuant to the criteria disclosed to the employees of the Group and established pursuant to the Employee Share Option Scheme for the financial year.

Others

- Reviewed with Management, the quarterly reports on Enterprise Risk Management, relevant new laws and regulations, material litigation, contingencies and claims;
- Reviewed with Management, the half-yearly status report on revenue assurance and business continuity;
- Reviewed with Management, the annual report on system and information security;
- Reviewed the Employee Code of Business Practice, Vendor Code of Business Practice, the Whistle-Blowing policy and the outcome of any defalcation cases investigated;
- Reviewed the Report of the Audit Committee, the Statement on Risk Management and Internal Control and the Statement on Corporate Governance prior to their inclusion in the Company's Annual Report;
- Reviewed the adequacy of the terms of reference of the Committee; and
- Conducted a self-assessment exercise to evaluate the Committee's overall effectiveness in discharging its responsibilities and reported the results of the self-assessment to the Board.

TRAINING

The training attended by the Committee members during the financial year is reported under the Statement on Corporate Governance on pages 210 to 211.

INTERNAL AUDIT FUNCTION

The Group has an independent internal audit function which reports directly to the audit committee, the primary responsibility of which is to provide independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes established by management and/ or the Board within the Group. The internal audit function adopts a risk-based audit methodology, which is aligned with the risks of the Group to ensure that the relevant controls addressing those risks are reviewed on a timely basis.

The activities carried out by the Internal Audit department include among others, the review of the adequacy and effectiveness of risk management and the system of internal controls, compliance with established rules, guidelines, laws and regulations, reliability and integrity of information and the means of safeguarding assets. Such reviews are performed with a view to making recommendations to further improve existing controls and processes. On a quarterly basis, the Internal Audit department monitors and reports to the Committee the implementation of recommendations by Management to ensure all key risks are properly addressed.

The Head of the Internal Audit department reports directly to the Chairman of the Committee, and is responsible for enhancing the quality assurance and improvement programme of the internal audit function. Its effectiveness is monitored through continuous internal self-assessment and independent external assessment, and the results are communicated to the Committee.

The major internal audit activities undertaken during the year are as follows:

- Reviewed the adequacy and effectiveness of critical processes, IT systems and network elements;
- Reviewed compliance with established policies and procedures and statutory requirements;
- Recommended improvements and enhancements to the existing system of internal control, risk management and governance processes;
- Carried out ad-hoc assignments and investigations requested by the Committee and/or Management;
- Followed-up on the implementation of recommendations by Management to ensure all key risks are addressed; and
- Developed a risk-based annual audit plan.

The total costs incurred for the internal audit function for the financial year ended 31 December 2012 amounted to RM5.1 million (2011: RM4.7 million), which included the cost of co-sourcing activities amounting to RM15,900 (2011: RM72,410).

The internal audit function fully abides by the provisions of its charter. The internal audit charter is reviewed and approved by the Committee annually and complies fully with the Institute of Internal Auditors' International Professional Practices Framework.

TERMS OF REFERENCE OF THE COMMITTEE

The Committee is governed by its terms of reference which have been applied by the Group throughout the year. The following is a summary of the Committee's terms of reference:

1. **Status**
   The Committee is a committee of the Board of Maxis Berhad.

2. **Function**
   The function of the Committee is to assist the Board in fulfilling its oversight responsibilities. The Committee will review the Group's financial reporting process, the system of internal controls and management of enterprise risk, the audit process and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct, as well as such other matters, which may be specifically delegated to the Committee by the Board, from time to time.

3. **Composition**
The Committee shall consist of at least three Board members, a majority of whom shall be independent Directors. All members of the Committee must be Non-Executive Directors. Alternate Directors will not be appointed to the Committee. In order to form a quorum in respect of a meeting of the Committee, the majority of members present must be independent Directors. In determining independence, the Board will observe the requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and any relevant Bursa Securities Practice Notes that are issued by Bursa Malaysia from time to time. Each member of the Committee must be financially literate to effectively discharge their functions.

The Chairman shall be an independent Non-Executive Director elected by the members of the Committee. The Chairman will, in consultation with the other members of the Committee, be responsible for calling meetings of the Committee, establishing its agenda and supervising its conduct thereof. The Board will review the composition of the Committee, as well as the term of office, performance and effectiveness of each member of the Committee annually, to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

At least one member of the Committee: (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or (ii) if he is not a member of the MIA, he must have at least three years working experience and: he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act,1967; or he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or (iii) fulfill such other requirements as prescribed or approved by Bursa Malaysia.

In the event of any vacancy in the Committee resulting in non-compliance of Committee composition requirements, the Board must fill the vacancy within three months.

4. **Authority**
The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to investigate any matter within its terms of reference; have adequate resources to perform its duties; have full and unrestricted access to the Group's information; have direct communication channels with external and internal auditors and all employees of the Group; obtain external independent and professional advice; and convene meetings with internal and external auditors (excluding the attendance of other directors and employees of the Group), whenever deemed necessary.

5. **Responsibilities**
The Committee shall undertake the following responsibilities and duties:

Risk Management and Internal Control. Review with internal and external auditors, General Counsel and appropriate members of the staff the adequacy of the Group's processes to identify, monitor and manage key risks and internal controls with respect to business practices.

Financial Reporting. Review with or without the presence of appropriate officers of the Group and the external auditors, the annual and quarterly financial statements of the Group including the announcements pertaining thereto, prior to Board approval, focusing on, inter alia, quality; the accuracy and adequacy of the financial disclosures; changes in accounting policies and practices and implementation of such changes; significant and unusual events; significant adjustments arising from the audit; going concern assumptions; compliance with applicable approved financial reporting standards; legal and regulatory requirements and other matters as defined by the Board. Review and ensure corporate disclosure policies and procedures of the Group (as they pertain to accounting, audit and financial matters) comply with the disclosure requirements as set out in the MMLR of Bursa Malaysia. Discuss among the Committee members, without the presence of the Management or the external auditors if deemed necessary, the financial information obtained. Review other accounting, audit and financial matters. Review any related party transactions, including the monitoring of recurrent related party transactions entered into by the Group to ensure they are undertaken on normal commercial terms, that the internal control procedures with regard to these transactions are sufficient and have been complied with and that there is compliance with any other relevant provisions of the MMLR and Practice Notes of Bursa Malaysia. Review conflict of interest situation and internal investigations.

Internal Audit. Review with the Internal Audit department its plans, scope, authority, independence and adequacy of resources to carry out its function; the results of the internal audit work and the appropriate actions taken on its recommendations; any appraisal or assessment of the performance of the internal auditors; approve the appointment or termination of the Head of Internal Audit department and Senior Internal Audit Staff; approve the charter of the Internal Audit department; and inform itself of staff resignations of the Internal Audit department and provide the resigning staff an opportunity to submit his/her reason for resigning.

External Audit. Review and report to the Board its recommendation on the proposed appointment, terms of engagement and proposed audit remuneration of the external auditor and any questions on resignation or dismissal of the external auditor; their audit plan and the nature, approach, scope and cost effectiveness of their annual audit and other examinations; the results of the external audit work including adjustments to the financial statements of the Group, if any; the accompanying management letters and responses; any factors related to the suitability and independence of the external auditors and the extent of assistance given by the Group and the Group's employees.

Employee Share Option Scheme. Verify the allocation of share options to the Group's eligible employees in accordance with the MMLR at the end of each financial year, if any.

Reporting Responsibilities. Report its activities to the Board in such form and manner and at such times as it deems appropriate and report to Bursa Malaysia where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR.

Other Responsibilities. Review matters in relation to compliance with legal, regulatory and statutory requirements, conflicts of interest and unethical conduct; review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other business or commercial related matters; review with the external auditors and Management the Group's Statement on Risk Management and Internal Control; review efficiency and efficacy of operations of the Group and any other matters, which would improve the governance of the Group's operations; examine such other matters, as the Committee considers appropriate or as defined by the Board; review and re-assess its terms of reference and recommend changes to the Board for approval and conduct a self-assessment to monitor its overall effectiveness in meeting its responsibilities once a year and report the results thereof to the Board; and prepare the annual Audit Committee report to the Board.

6. Meetings

The Committee shall meet at least four times during each financial year and may regulate its own procedures including convening a meeting by means of video or teleconference in place of a meeting in person. In addition to its four meetings each financial year, the Committee may take action by way of circular resolutions.

The Committee may request to meet other Board members, any officer or employee of the Group, external legal counsel, internal or external auditors and consultants and if necessary, in separate private sessions. The Committee shall meet with the external and internal auditors in separate private sessions at least twice in each financial year without executive Board members and Senior Management present. The Chairman of the Committee shall provide to the Board a report of the Committee meetings.

7. Secretary of the Committee

The Company Secretary shall be the Secretary of the Committee. The Secretary shall ensure that all appointments of the Committee are properly made; the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues; prepare and circulate the minutes of the Committee meetings promptly to all members of the Board; and ensure that the minutes are properly kept and produced for inspection if required.

8. Consultants

The Committee may retain, at such times and on such terms as the Committee determines in its sole discretion and at the Company's expense, special legal, accounting, or other consultants to advise and assist it in complying with its responsibilities.

9. Training

The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

The full terms of reference of the Committee is available on Maxis' website.

The Board of Maxis ("the Board") remains committed to upholding high standards of corporate governance throughout the Group. We believe it underpins our mission of sustainable, long-term growth of the Group's businesses and is therefore an integral part of our culture.

We have been consistently enhancing and improving our corporate governance standards in accordance with applicable laws and regulations. The Board believes the prescriptions in the new Malaysian Code of Corporate Governance 2012 ("the Code") set a strong foundation for boards and committees to carry out their roles effectively, promote timely and balanced disclosure, safeguard the integrity of financial reporting, emphasise the importance of risk management and internal controls and encourage shareholder participation in general meetings.

The Board is pleased to share the manner in which the Principles of the Code have been applied within the Group in respect of the financial year ended 31 December 2012 and the extent to which the Company has complied with the Recommendations of the Code during the financial year ended 31 December 2012.

The Board who had approved this Statement on 26 February 2013 believes that the Principles set out in the Code have, in all material respects, been adhered to.

I. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board has formally adopted a Board Charter that clearly sets out the role, functions, composition, operation and processes of the Board. The Board Charter was published on Maxis' Corporate website as soon as it was finalised and approved by the Board. It seeks to ensure that all Board members are aware of their duties and responsibilities as Board members. It acts as a source of reference and primary induction literature for prospective Board members and Senior Management. It is also intended to assist the Board in assessing its collective performance and that of each individual Director.

The Board Charter will be reviewed periodically and made available on our website.

The Board assumes the following duties and responsibilities:

- reviewing, adopting and monitoring the implementation of a strategic business plan for the Group;
- overseeing the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring that there are measures in place against which management's performance can be assessed;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing key management;
- developing and implementing an investor relations programme or shareholder communications policy for the Group and encouraging the use of information technology for effective dissemination of information;
- reviewing the adequacy and integrity of the Group's systems of internal control and of management information, including ensuring that a sound risk management framework, reporting framework and systems for compliance with applicable laws, regulations, rules, directives and guidelines are in place; and
- reviewing, adopting and implementing appropriate corporate disclosure policies and procedures.

The respective roles and responsibilities of the Board and management have been clearly defined. The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a Committee, the Chairman, Chief Executive Officer ("CEO") or another nominated member of the Senior Management team:

- approval of corporate/strategic directions/plans and programmes;
- approval of annual budgets, including major capital commitments and capital expenditure budgets;
- approval of new ventures;
- approval of material acquisitions, and disposals of undertakings and properties or any significant Maxis Group expenditure which exceeds the authority limits delegated to the Chief Executive Officers or the Chief Financial Officers or the Chief Operating Officers.
- changes to the management and control structure within the Company and its subsidiaries, including key policies and delegated authority limits;
- appointment of all other Board members, Board Committee members, Chief Executive Officers and the Company Secretaries;
- any matters in excess of any discretions that it may have delegated from time to time to the CEO and Senior Management, including in relation to credit transactions, market risk limits and expenditures; and
- any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act, 1965, the MMLR, Company's Articles of Association ("Articles"), Terms of Reference of the respective Board Committees, Group's Manual of Limits of Authority (such as transactions with value in excess of RM30 million and Long Range Plan) or any other applicable rule.

The Directors have delegated limits of authority to the CEO and Management as specified in the Company's Manual of Limits of Authority. Adherence to the Limits of Authority is reported to the Audit Committee.

Code of Business Practice

The Group's Code of Business Practice Declaration ("the Code of Business Practice") applies to all Directors and employees of the Group who are required to affirm, on a yearly basis, their commitment to observing its prescriptions. It serves as documentation of the Directors' and employees' commitment to do business in a manner that is efficient, ethical, effective and fair and is meant as a reference point for all Directors and all levels of employees as well as all parties that engage in business dealings with the Group. The Code of Business Practice is a guide to assist the Group's Directors and all levels of employees in living up to the Group's high ethical business standards, and provides guidance on the way employees should conduct themselves when dealing with other parties doing business with the Group.

The Code of Business Practice also provides guidelines on the manner in which Directors and all employees should conduct themselves at the work-place, while performing their daily duties for Maxis and as Maxis employees. It also sets out and identifies the appropriate communication and feedback channels which facilitate whistle-blowing. Please refer to the section on whistle-blowing on page 209 of this Annual Report. A summary of the Code of Business Practice is available on our website. Please also refer to the section on Ethical Business Practices on pages 219 to 221 of this Annual Report.

Promoting Sustainability

The Board has taken steps to ensure that the Group's strategies continue to promote sustainability, with attention given to environmental, social and governance ("ESG") aspects of the Group's business. To this end, the Board had, in November 2011, approved Maxis' Corporate Responsibility ("CR") framework which clearly outlines Maxis' CR mission, strategic pillars, philosophies and governance structure for adoption. The CR framework provides a clear guiding principle in implementing CR programmes that are consistent with the Company's strategic goals and facilitates a structured approach in delivering the Company's efforts across the profit, people and planet dimensions. Maxis' CR framework was disclosed in Maxis' inaugural Sustainability Report 2010/2011 as well as its second Sustainability Report. The second report covers the reporting period of July 2011 to December 2012 and follows the Global Reporting Initiative ("GRI") framework, an internationally recognised standard for sustainability reporting. Taking it a step further this year, the report successfully obtained external assurance from SIRIM QAS International Sdn. Bhd. It is available for viewing on our website.

Board meetings and access to information

The Board meets at least four times a year, with additional meetings convened on an ad-hoc basis as and when the Board's approval and guidance are required. Upon consultation with the Chairman and the CEO, due notice shall be given of proposed dates of meetings during the financial year and standard agenda and matters to be tabled to the Board. Meetings are set before beginning of the year to allow Directors to plan ahead and to maximise participation.

Six Board meetings were held during the financial year ended 31 December 2012 and details of the attendance of each Director are as follows:

Director	Designation	Number of Meetings attended during the year	Percentage
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	Chairman/Independent Non-Executive Director	6 out of 6	100%
Robert William Boyle	Independent Non-Executive Director	6 out of 6	100%
Dato' Mokhzani bin Mahathir	Independent Non-Executive Director	6 out of 6	100%
Asgari bin Mohd Fuad Stephens	Independent Non-Executive Director	6 out of 6	100%
Dr. Fahad Hussain S. Mushayt	Non-Executive Director	6 out of 6	100%
Krishnan Ravi Kumar (appointed on 26 November 2012 and there was one Board Meeting held after his appointment)	Non-Executive Director	1 out of 1	100%
Dr. Ibrahim Abdulrahman H. Kadi (appointed on 26 November 2012 and there was one Board Meeting held after his appointment)	Non-Executive Director	1 out of 1	100%
Augustus Ralph Marshall	Non-Executive Director	6 out of 6	100%
Chan Chee Beng	Non-Executive Director	6 out of 6	100%
Alvin Michael Hew Thai Kheam (appointed on 30 August 2012 and there were three Board Meetings held after his appointment)	Non-Executive Director	3 out of 3	100%
Sandip Das	Executive Director / Chief Executive Officer	6 out of 6	100%
Dr. Zeyad Thamer H. AlEtaibi (resigned on 15 September 2012 and there were four Board Meetings held in 2012 prior to his resignation)	Non-Executive Director	2 out of 4	50%
Ghassan Hasbani (resigned on 20 October 2012 and there were five Board Meetings held in 2012 prior to his resignation)	Non-Executive Director	5 out of 5	100%

The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, the Management is obliged to supply all relevant information relating to the business and operations of the Group and governance matters, including customer satisfaction and survey quality, market share and market reaction in a timely manner to enable the Board to discharge its duties effectively. A set of Board papers (together with a detailed agenda in the case of a meeting) is furnished to the Board members in advance of each Board meeting or Directors' Circular Resolution for consideration, guidance and where required, for decision. The Board papers include, among others, the following documents or information:

- Reports of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval;
- Performance reports of the Group, which include information on financial, industry and strategic business issues and updates;
- Major operational, financial, technical, legal, regulatory and corporate issues;
- Technological developments and updates;
- Reports on risk management;
- Reports on human capital, organisational and talent management; and
- Board papers for other matters for discussion/approval.

Additionally, the Board is furnished with ad-hoc reports to ensure that it is apprised of key business, financial, operational, corporate, legal, regulatory and industry matters, as and when the need arises. The Senior Management are also invited to join in Board meetings to provide explanation or engage in dialogue with Board members as they may require. All deliberations, discussions and decisions of the Board are minuted and recorded accordingly.

The Directors also have full and unrestricted access to the advice and services of the General Counsel, Head of Internal Audit and Company Secretary in addition to other members of Senior Management. Each of the individual Directors is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. Members of the Board may collectively or individually consult advisers and, where necessary, seek external and independent professional advice and assistance from experts in furtherance of their duties at the Group's expense.

Company Secretary

The Board is supported by the Company Secretary who facilitates overall compliance with the MMLR and Companies Act, 1965 and other relevant laws and regulations. In performing this duty, the Company Secretary carries out, among others, the following tasks:

- Attending Board and Board Committee meetings and ensuring that the Board meetings are properly convened and proceedings are properly recorded;
- Ensuring timely communication of Board level decisions to Senior Management;
- Ensuring that all appointments to the Board and Committees are properly made;
- Maintaining records for the purposes of meeting statutory obligations;
- Facilitating the provision of information as may be requested by the Directors from time to time; and
- Supporting the Board in ensuring adherence to Board policies and procedures

The profile of the Company Secretary can be found on page 59 of this Annual Report.

The Board may remove the Company Secretary.

II. BOARD STRENGTH AND EFFECTIVENESS

Appointments to the Board

The Nomination Committee makes independent recommendations for appointments to the Board, and the Nomination Committee may consider the use of external consultants in the identification of potential Directors. In making these recommendations, the Nomination Committee assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment and other qualities of the candidates, before recommending their appointment to the Board for approval.

The Board makes clear at the outset its expectations of its new Directors in terms of their time commitment as recommended by the Code.

Re-election of Directors

In accordance with the Company's Articles, all Directors who are appointed by the Board may only hold office until the next following Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM. The Articles also provide that one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to one-third, are subject to retirement by rotation at every AGM but are eligible for re-election provided always that all Directors including the Managing Director and Executive Directors shall retire from office at least once in every three years.

Pursuant to Section 129 of the Companies Act, 1965, the office of a director of or over the age of 70 years becomes vacant at every AGM unless he is reappointed by a resolution passed at such an AGM of which no shorter notice than that required for the AGM has been given and the majority by which such resolution is passed is not less than three-fourths of all members present and voting at such AGM.

Mr. Krishnan Ravi Kumar, Dr. Ibrahim Abdulrahman H. Kadi and Mr. Alvin Michael Hew Thai Kheam who were appointed by the Board during the financial year shall hold office until the forthcoming AGM scheduled to be held on 9 May 2013 and they are eligible for re-election pursuant to Article 121 of the Company's Articles whilst Directors who are due for retirement by rotation and eligible for re-election pursuant to Article 114 of the Company's Articles at the forthcoming AGM are Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, Dato' Mokhzani bin Mahathir and Encik Asgari bin Mohd Fuad Stephens. Encik Asgari bin Mohd Fuad Stephens however, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Fourth Annual General Meeting.

The profiles of the Directors who are due for re-election are set out on pages 44 to 48 of this Annual Report.

The Board has considered the assessment of the five Directors standing for re-election and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the MMLR.

The Board delegates certain responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference and limits on authority. These Committees have the authority to examine particular issues and report their proceedings and deliberations to the Board. On Board reserved matters, Committees shall deliberate and thereafter state their recommendations to the Board for its approval.

During Board meetings, the Chairmen of the various Committees provide summary reports of the decisions and recommendations made at respective committee meetings, and highlight to the Board any further deliberation that is required at Board level. These Committee reports and deliberations are incorporated into the minutes of the Board meetings.

Board Diversity Policy

The Board recognises that diversity in its composition is critical in ensuring its effectiveness and good corporate governance. A truly diverse board will include and make use of differences in the skills, experience, background, race, gender and nationality of its members. Underpinning Maxis Board Diversity Policy is Maxis' commitment to ensuring that all Directors are appointed on merit, in line with the standards as set out in Para 2.20A of the MMLR. The Board regularly reviews its composition to improve its diversity including its gender diversity.

Board Effectiveness Assessment

The Nomination Committee facilitates and organises the yearly Board Effectiveness Assessment for assessment and evaluation of the Board of Directors, Board Committees and individual Directors. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board. The Chairman of the Board oversees the overall evaluation process and responses are analysed by the Nomination Committee, before being constructively tabled and communicated to the Board. Self-assessment and peer-assessment methodologies are used and issues for assessment are presented in a customised questionnaire. In addition, the individual Directors conducted self-assessments, the results of which were also shared with the Board.

The criteria on which assessment of the Board's effectiveness is carried out is developed, maintained and reviewed by the Nomination Committee. They include, inter alia, Board's and Board Committees' composition, Board's roles and responsibilities, performance which comprises strategy planning and performance, risk and human capital management, Board communications and conduct of the Board and Board Committees.

During the year, the Board Committees were, inter alia, assessed based on their roles and scope, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency of the Board Committees. During the year also the Board of Directors in accordance with Para 15.20 of the MMLR reviewed the term of office and performance of the Audit Committee and each of the members and were satisfied that the Audit Committee and members have carried out their duties in accordance with their terms of reference.

The individual Directors each undertook self-assessment for their individual performance during the financial year ended 31 December 2012 based on the criteria of character, experience, integrity, competence and time in order to discharge their respective roles as Directors of Maxis Berhad.

Board Committees

The Company has four principal Board Committees:

(a) Audit Committee

The composition, terms of reference and a summary of the activities of the Audit Committee are set out separately in the Audit Committee Report as laid out on pages 190 to 194 of this Annual Report.

(b) Nomination Committee

The Nomination Committee of the Board consists of the following Non-Executive Directors, the majority of whom are independent:

- Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (Independent Non-Executive Director and Chairman of the Nomination Committee);
- Robert William Boyle (Independent Non-Executive Director);
- Dato' Mokhzani bin Mahathir (Independent Non-Executive Director);
- Dr. Ibrahim Abdulrahman H. Kadi (Non-Executive Director) – appointed as a member on 26 November 2012;
- Chan Chee Beng (Non-Executive Director); and
- Ghassan Hasbani (Non-Executive Director) – ceased to be a member with effect from 20 October 2012.

The Nomination Committee has been entrusted with the following duties and/or responsibilities:

- To formulate the nomination, selection and succession policies for the Chief Executive Officer, members of the Board and Board Committees.
- To review and recommend to the Board the optimum size of the Board that reflects the desired balance of skills and competencies.
- To recommend to the Board suitable candidates for directorships to be filled by the shareholders or the Board.
- To formulate and implement a transparent procedure for proposing new candidates to the Board and Board Committees.
- In making its recommendations to consider the candidates' skills, knowledge, expertise and experience, professionalism, integrity, competencies, commitment, contribution and, in the case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.
- To formulate the criteria to assess the independence of the Independent Directors.
- In making its recommendations, to consider candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- To assist the Board in reviewing on an annual basis the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.
- To assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual director and Board Committee member.
- To assist the Board in nominating the membership of other Board Committee members.
- To assist the Board by formulating the criteria and procedure to be carried out by the Committee annually for assessing the effectiveness of the Board, Board Committees and individual Directors.
- To determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole.
- Where the Chairman of the Board is an Independent Director, to ensure that at least one-third of the Board is independent. In circumstances where the Chairman is not an Independent Director, to ensure that the Board must comprise a majority of independent directors.
- To recommend to the Board to justify and seek shareholders' approval where an Independent Director is retained as an independent director after his tenure has exceeded a cumulative term of nine years.
- To review Board balance including the participation of Non-Executive and Independent Directors on Board, and to determine if additional Board members are required.

- To document all assessments and evaluations carried out by the Committee in the discharge of all its functions and thereafter, reports its findings to the Board.
- To ensure, where the Company has a significant shareholder, that the investment of the minority shareholders are fairly reflected through Board representation.
- To facilitate and determine board induction and training needs on an ongoing basis, by determining areas that would best strengthen their contributions to the Board.
- To conduct review and assess the effectiveness of the Board's succession plan.
- To perform its role in relation to diversity on the Board, as prescribed by the Board Diversity Policy.

In discharging its duties, the Nomination Committee is at all times mindful of the provisions of the Code and all applicable laws, regulations and guidelines.

In general, the Nomination Committee shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the full Board for consideration and implementation.

In carrying out its duties and responsibilities, the Nomination Committee has:
(i) full, free and unrestricted access to any information, records, properties and personnel of the Maxis Group; and
(ii) the power to obtain independent professional advice and expertise necessary for the performance of its duties.

All members of the Nomination Committee have access to the advice and services of the Company Secretary.

The Nomination Committee meets as and when necessary and can also make decisions by way of circular resolutions.

The Nomination Committee held six meetings during the financial year ended 31 December 2012. All members attended the meetings.

The Nomination Committee during the financial year ended 31 December 2012 had undertaken the following:
(i) Reviewed the proposed format of the Self-Assessment of individual Directors;
(ii) Considered appointment of new Directors and members of the Committee;
(iii) Reviewed the composition of the Board Committees;
(iv) Considered the recommendations of the MCCG 2012 which included:
    - Ethical standards through a code of conducts and its compliance;
    - Board Charter;
    - To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors;
    - To establish formal and transparent remuneration policies and procedures to attract and retain Directors;
    - Annual Assessment of the Independent Directors;
    - Expectation and commitments for Board members and protocols for accepting new directorships;
    - Board members to have access to appropriate continuing education programme and training needs;
    - Corporate Disclosure Policy;
    - Board Diversity Policy; and
(v) Considered the timetable, process and methodology for 2012 assessment of Directors and Board Committees.

During the year, the Company did not engage any external party in respect of the annual review of the Board and/or individual Director or Board Committees.

The Terms of Reference of the Nomination Committee is made available at our website.

(c) Remuneration Committee

The Remuneration Committee of the Board consists of the following Non-Executive Directors, the majority of whom are independent:
- Dato' Mokhzani bin Mahathir (Independent Non-Executive Director and Chairman of the Remuneration Committee);
- Robert William Boyle (Independent Non-Executive Director);
- Asgari bin Mohd Fuad Stephens (Independent Non-Executive Director);
- Dr. Fahad Hussain S. Mushayt (Non-executive Director) – appointed as a member on 26 November 2012;
- Augustus Ralph Marshall (Non-Executive Director); and
- Ghassan Hasbani (Non-Executive Director) - ceased to be a member with effect from 20 October 2012.

The Remuneration Committee has been entrusted with the following duties and/or responsibilities:

(a) To recommend to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of Executive Directors and to ensure that the procedure for the establishment of the policy and framework is fair and transparent;

(b) To evaluate and review the performance, KPIs and reward for Executive Directors, CEO, Joint Chief Operating Officer(s) and Chief Financial Officer of the Company ("the Joint Chief Operating Officer(s) and Chief Financial Officer, collectively referred to as "the CXO") on a yearly basis and the remuneration packages (including but not limited to bonuses, incentive payments, share options and other share awards) for Executive Directors, CEO and the CXO are formulated to be competitive, performance-based and reflective of their contributions to the Company's growth and profitability, in line with corporate objectives and strategy. In relation to the CXO's remuneration packages and performance and KPIs, the Committee will review the process with recommendations from the CEO;

(c) To design and implement an evaluation procedure for Executive Directors and CEO of the Company;

(d) To ensure performance targets are designed and established to achieve consistency with the interests of shareholders of the Company, with an appropriate balance between long-term and short-term goals;

(e) To review on a yearly basis the individual remuneration packages of the Executive Directors, and to make the appropriate recommendations to the Board;

(f) To make recommendations to the Board with respect to awards under incentive-compensation plans, employee share option schemes and other equity-based plans of the Company that apply to Directors, CEO and CXO;

(g) To review the effectiveness of the Company's performance measurement and reward process;

(h) To review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, to determine on a yearly basis whether awards will be made and if so, the overall amount of such awards, the individual awards to Executive Directors, CEO, CXO and other key Senior Management and the performance targets to be used;

(i) To determine the policy for, and scope of, pension arrangements for each Executive Director, CEO, CXO and other key Senior Management;

(j) To oversee the overall bonus structure of the Company and set broad targets; and

(k) To review the overall design (at the strategic level) of the organisation structure at Levels 1 and 2. The CEO will continue to make decisions on the recruitment of personnel and make changes within the framework for up to Level 2.

In general, the Remuneration Committee shall not have delegated powers from the Board to implement its recommendations but shall be obliged to report its recommendations to the full Board for consideration and implementation.

In carrying out its duties and responsibilities, the Remuneration Committee has:
(i) full, free and unrestricted access to any information, records, properties and personnel of the Maxis Group; and
(ii) the power to obtain independent professional advice and expertise necessary for the performance of its duties.

All members of the Remuneration Committee have access to the advice and services of the Company Secretary and Head of Human Resources.

The Remuneration Committee meets as and when necessary and can also make decisions by way of circular resolutions.

During the financial year ended 31 December 2012 the Remuneration Committee met four times and all members of the Committee attended the meetings.

During the year, the Remuneration Committee reviewed its Terms of Reference, proposal and bonus arrangement for the CEO, CEO's recommendations for the bonus and performance of the CXO and also proposal for future service entitlement.

The Terms of Reference of the Remuneration Committee is made available at our website.

(d) Employee Share Option Scheme ("ESOS") Committee

The ESOS Committee was established on 20 April 2011 with delegated authority to administer the ESOS and to decide on all relevant matters incidental thereto in accordance with the ESOS Bye-Laws including, but not limited to, the power to determine the criteria for eligible employees, the entitlement for eligible employees and the granting of options to such eligible employee.

Allocations to Directors shall be reviewed and recommended by the Remuneration Committee and then approved by the Board as a whole with the relevant individual Director abstaining in respect of his individual allocation and subject to the approval of the shareholders of the Company at a general meeting.

The ESOS Committee consists of the following Directors:
- Dato' Mokhzani bin Mahathir (Independent Non-Executive Director and Chairman of the ESOS Committee);
- Asgari bin Mohd Fuad Stephens (Independent Non-Executive Director); and
- Sandip Das (Executive Director).

In undertaking its responsibilities, the ESOS Committee will give due reference to:
(i) the overall financial performance of the Company relative to the business plan agreed by the Board;
(ii) the competitiveness of the total compensation package for each grade of employee;
(iii) the individual contribution and strategic importance of current and potential key senior employees;
(iv) changes in the regulatory framework governing share options grants to employees; and
(v) the ESOS Bye-Laws of the Company as approved by the shareholders.

The ESOS Committee meets as and when necessary at least once in every calendar year and can also make decisions by way of circular resolutions. The Committee met twice during the financial year ended 31 December 2012 will all members attending both meetings. In addition, the Committee also met a number of times informally during the financial year ended 31 December 2012. The Committee reviewed and discussed the terms and criteria for the ESOS allocation for eligible employees.

Remuneration of Directors And Senior Management

The objectives of the Group's policy on Directors' remuneration are to ensure that formal and transparent remuneration policies and procedures have been put in place to attract and retain Directors of the calibre needed to run the Group successfully. In Maxis, the component parts of remuneration for the Executive Directors are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

During the year under review, the Company hired Hay Group to review the remuneration packages of the CEO and CXO.

1. Remuneration procedures

The Remuneration Committee recommends to the Board, the policy and framework of the Directors' remuneration and the remuneration package for the Executive Directors. In recommending the Group's remuneration policy, the Remuneration Committee may receive advice from external consultants. It is nevertheless the ultimate responsibility of the Board to approve the remuneration of these Directors, CEO, CXO and other key senior management.

The Remuneration Committee also reviews the KPIs and bonus recommendations of the CEO and CXO. In determining the bonus, the Remuneration Committee reviews the performance based on their scorecards which specifies the achievements and results of KPIs for Corporate Goals (financial and business KPIs), Individual Priorities (operational KPIs) and Employee Development.

Unless otherwise determined by an ordinary resolution of the Company in a general meeting, the total fees of all Directors in any year shall be a sum not exceeding in aggregate RM6,000,000.00 and divisible among the Directors as they may agree, or in the absence of an agreement, divided equally.

The determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as Directors), is a matter for the Board as a whole. Individual Directors do not participate in decisions regarding their own remuneration package.

2. Directors' Remuneration Package

The remuneration package of the Directors is as follows:

(a) Basic salary

The basic salary of the Executive Director is fixed for the duration of his contract. Any revision to the basic salary will be reviewed and recommended by the Remuneration Committee, taking into account the individual performance, the inflation price index, and information from independent sources on the rates of salary for similar positions in other comparable companies.

(b) Fees
In accordance with the Company's Articles, the total fees of all the Directors in any year shall be a fixed sum not exceeding in aggregate RM6,000,000.00 unless otherwise determined by an ordinary resolution of the Company in general meeting.

(c) Bonus scheme
The Group operates a bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

(d) Benefits-in-kind
Other customary benefits (such as private medical cover, car, etc) are made available to Directors as appropriate.

(e) Service contract
The notice period for the termination of an Executive Director's service contract is six months on either side.

The aggregate emoluments received by the Directors of the Company during the financial year ended 31 December 2012 and the total Directors' remuneration analysed in the band of RM50,000 are disclosed in the financial statements, as set out on pages 127 to 128 of this Annual Report.

Details of the remuneration for each of the Non-Executive Directors of the Company, including Directors who resigned during the year categorised into appropriate components for the financial year ended 31 December 2012 were as follows:

NAME OF DIRECTORS	FEE (RM)	BENEFIT IN KIND (RM)	TOTAL AMOUNT (RM)
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	450,000	52,009	502,009
Robert William Boyle	370,000	–	370,000
Dato' Mokhzani bin Mahathir	330,000	–	330,000
Asgari bin Mohd Fuad Stephens	280,000	–	280,000
Ghassan Hasbani(2)	216,290	–	216,290
Krishnan Ravi Kumar(3)	24,306	–	24,306
Dr. Ibrahim Abdulrahman H. Kadi(3)	25,278	–	25,278
Dr. Zeyad Thamer H. AlEtaibi(2)	176,389	–	176,389
Dr. Fahad Hussain S. Mushayt	270,972	–	270,972
Augustus Ralph Marshall	260,000	–	260,000
Chan Chee Beng	280,000	–	280,000
Alvin Michael Hew Thai Kheam(3)	84,677	–	84,677
Sandip Das (Executive Director)(1)			

Notes:
(1) The Executive Director's remuneration can be found on pages 127 to 128 of this Annual Report.
(2) Resigned during the year 2012.
(3) Appointed during the year 2012.
(4) Save as disclosed above, no other remuneration have been paid to the Directors by the Company and/or its subsidiaries.

III. BOARD BALANCE AND INDEPENDENCE

There are 11 members of the Board, comprising an Executive Director (who is also the CEO) and 10 Non-Executive Directors (including the Chairman). Four of the Non-Executive Directors including the Chairman are independent and hence fulfil the prescribed requirements for one-third of the membership of the Board to be Independent Board Members.

The Board comprises members of high calibre and integrity with diverse professional backgrounds, skills, extensive experience and knowledge in the areas of telecommunications, information and technology, entertainment, finance, business, general management strategy, sales and distribution required for the successful direction of the Group.

With its diversity of skills, the Board has been able to provide clear and effective collective leadership to the Group and has brought informed and independent judgement to the Group's strategy and performance so as to ensure that the highest standards of conduct and integrity are always at the core of the Group. None of the Non-Executive Directors participate in the day-to-day management of the Group.

The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure that the interests, not only of the Group, but also of its shareholders, employees, customers, suppliers and other communities in which the Group conducts its business are well represented and taken into account. The Independent Non-Executive Directors thus play a key role in corporate accountability. The assessment of the independence of each of its Independent Non-Executive Directors is undertaken twice a year according to set criteria as prescribed by the MMLR.

As part of the Board's yearly appraisal and self-assessment, the Board is of the view that its size is adequate for the discharge of its functions and responsibilities.

A brief description of the background of each Director is contained in the "Board of Directors Profiles" section as set out on pages 44 to 49 of this Annual Report.

As recommended by the Code, the tenure is also part of the assessment criteria for independence of a Director. The relevant process and procedures have been provided for in the Board Charter and terms of reference of the NC. The NC is tasked to assess and assist the Board in recommending and providing justification for shareholders' consideration and approval in the event an Independent Director is to remain independent after his nine-year cumulative tenure.

Division of roles and responsibilities between the Chairman and the Chief Executive Officer

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the CEO. This division ensures that there is a clear and proper balance of power and authority. As such, the role of the Chairman and CEO is separate and this is made clear in the Board Charter. In addition to the above, the Chairman was not previously a CEO of the Company.

The Chairman's main responsibility is to ensure effective conduct of the Board and that all Directors, Executive and Non- Executive, have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages participation and deliberation by Board members to tap the wisdom of all the Board members and to promote consensus building as much as possible.

The CEO has overall responsibilities over the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. In addition, the CEO functions as the intermediary between the Board and Management.

Matters which are reserved for the Board's approval and delegation of powers to the Board Committees, the CEO and Management are expressly set out in an approved framework on limits of authority. Business affairs of the Group are governed by the Group's Manual on Limits of Authority. The Board is guided by the Board Charter (please refer to Section 1 of this statement). Any non-compliance issues are brought to the attention of Management, Audit Committee and/or the Board, for effective supervisory decision-making and proper governance.

As the Group is expanding and its business growing, the division of authority is constantly reviewed to maintain the best levels of management efficiency and performance.

IV. COMMITMENT OF THE BOARD

All Board members shall notify the Chairman of the Board before accepting any new directorships in any other organisation. The notification shall include an indication of time commitment required under the new appointment as recommended by the Code.

Training and Development of Directors

The Nomination Committee and the Board assesses of the training needs of each of its Directors on an on-going basis, by determining areas that would best strengthen their contributions to the Board.

Orientation and familiarisation programmes which include visits to the Group's business operations and meetings with key management, where appropriate, are organised for newly-appointed Directors to facilitate their understanding of the Group's operations and businesses. Regular talks are scheduled on various topics for the Board and these sessions are held together with Senior Management in order to encourage open discussion and comments.

Throughout the financial year under review, regular briefings/updates (some by external advisers) on various subjects including the following were held at Board, pre-Board and other sessions. These form an integral part of the Directors' development programme:
- Market, economics and industry;
- Regulatory and legal developments;
- Technology;
- Telecommunications trends;
- Information on significant changes in business risks and procedures instituted to mitigate such risks;
- Corporate matters or new acquisitions by the Group;
- New developments in law, regulations and directors' duties and obligations;
- Customer related issues;
- Talent Development; and
- Corporate Responsibility.

The Directors have also participated in various internally organised programmes to enhance their understanding of specific industry or market issues and trends. Regular dinner talks such as corporate culture, industry, organisational and talent, execution and stakeholder dialogues have been part of the Maxis Board agenda and this will continue into 2013 and beyond with greater intensity. Members of the Senior Management team have been invited to these sessions to foster positive board-management dynamics. Where necessary, the Directors have also participated in various external training programmes which they have collectively or individually considered as useful in discharging their responsibilities.

The Board has taken steps to ensure that its members continuously have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of internal training programmes and keeps Directors informed of relevant external training programmes. Details of all internal and external training programmes attended by Directors are maintained by the Company Secretary. Some external conferences/workshops and internally organised programmes (apart from Board and pre-Board briefings) in which members of the Board have participated during the year 2012 are listed in Annexure A of this Statement.

As at the date of the Report all Directors other than Mr. Krishnan Ravi Kumar, have attended and completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia. Mr. Alvin Michael Hew Thai Kheam who was appointed as a Director on 30 August 2012 completed his MAP on 5 and 6 December 2012 whilst Dr. Ibrahim Abdulrahman H. Kadi who was appointed as Director on 26 November 2012 completed his MAP on 20 and 21 February 2013, which is within the prescribed period of four months from the date of their appointments. Mr. Krishnan Ravi Kumar, who was also appointed on 26 November 2012 will be completing the MAP within the extension period as granted by Bursa Malaysia.

V. BOARD INTEGRITY IN FINANCIAL REPORTING, RISK RECOGNITION AND MANAGEMENT

Accountability and Audit

1. Financial reporting
In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors will endeavour to present a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects. This also applies to other price-sensitive public reports and reports to regulators. The assessment is provided in this Annual Report through the Directors' Responsibility Statement as set out on page 216 of the Annual Report.

2. Related Party Transaction ("RPT")
The Company has put in place review and approval processes and procedures for RPT to ensure that the transaction prices, terms and conditions of the agreement and the quality of the products/services are comparable with those prevailing in the market. The quality of the products/services must meet industry standards. The transaction should be entered into on normal commercial terms, and on terms that are consistent with the Group's usual business practices and policies. This will ultimately ensure that the terms of the transactions are not favourable to the related party and are not detrimental to the minority shareholders of the Company.

The RPT review and approval processes and procedures focus on three areas:

(i) Create RPT Awareness – All Heads of business units, Finance, Legal, Company Secretary and Internal Audit teams are made aware of all related parties to enable the Company to capture information on RPTs at source. Formal and informal briefings on the RPT requirements and relevant compliance requirements are conducted regularly for all business units.

(ii) RPT approval process
All RPTs (irrespective of their values) must be tabled to the Audit Committee ("AC") for review and Board for approval.

Any new RPT proposed for the AC's recommendation and the Board's approval will be reviewed by various internal parties including the Company Secretary, Finance and Internal Audit Departments, all of which are tasked with monitoring and reviewing transactions before the Board paper is submitted to the AC and Board.

Where transactions are on single source quotation and where benchmarking is not possible, justification by business units must be provided to ensure that the transactions are at arm's length basis, not favourable to the related party and not detrimental to the minority shareholders.

Interest of Directors and conflict of interests are disclosed to the Audit Committee and Board and the interested Directors will abstain from deliberating and voting on the RPT.

The non-interested Directors of the Board will consider the transaction as proposed in the Board paper and if it thinks appropriate, approve the RPT upon recommendation by the AC.

In respect of the recurrent related party transactions ("RRPTs") which are within the shareholders' mandate ("Mandate") obtained at the Company's Extraordinary General Meeting, additional review and approval procedures are adopted.

Any individual RRPTs exceeding RM30 million each in value will be reviewed and considered by the AC prior to recommendation to the Board for approval, before the transaction can be entered into. Any variations to the terms and conditions of the individuals RRPTs will be reviewed and approved in accordance with the Company's Limits of Authority.

(iii) Monitoring Compliance and Reporting
The Company has a process for monthly reporting on the status of mandated RRPTs whereby the mandated RRPTs amount will be tracked on a monthly basis to ensure that the actual value of the mandated RRPTs entered into with parties within the same related party group does not exceed the aggregated estimated value of such mandated RRPTs.

(iv) Disclosures in securities and interests
In addition, all disclosures on tradings in shares and securities of the Company by Directors and principal officers are tabled at the Board.

Disclosure on the RRPTs for which Shareholders' mandate has been obtained together with the breakdown of the aggregate value of the RRPTs which had been conducted during the financial year ended 31 December 2012 is provided on pages 230 to 248 of this Annual Report.

3. Internal Control
   The Group's Statement on Risk Management and Internal Control is set out on pages 212 to 215 of this Annual Report. Statement in relation to Risk Management is set out on page 217 to 218 of this Annual Report.

4. Relationship with Auditors
   The statements on roles, duties and responsibilities of the Audit Committee in relation to both the internal and external auditors is described in the Audit Committee Report as set out on pages 190 to 194 of this Annual Report.

VI. TIMELY AND HIGH QUALITY DISCLOSURE

The Board has also established and adopted the Corporate Disclosure Policy as recommended by the Code and the policies and procedures therein have been formulated with reference to the Best Practices published in the Corporate Disclosure Guide issued by Bursa Malaysia.

As recommended by the Code, the Company will seek to leverage on the latest and most innovative information technology available to promote more efficient and effective ways to communicate with both its shareholders and stakeholders. The Company has made available on its website, its Annual Reports, anouncements to Bursa Malaysia, media releases, a Corporate Governance section and presentations relating to its Quarterly Financial results.

Various contact details are provided on the Company's website to address queries from customers, shareholders and other public. A dedicated intranet has also been provided for ease of communication with and reference by the employees.

VII. RELATIONSHIP WITH SHAREHOLDERS

1. Shareholders and Investor Relations
   The Board believes that the Group should be at all times be transparent and accountable to its shareholders and investors and the Board is proactive in evaluating the effectiveness of information dissemination to Maxis' shareholders and the wider investing community.

   Other than through the issuance of its Annual Reports, Maxis has been actively communicating with its shareholders and stakeholders through the following channels:
   - Release of financial results on a quarterly basis;
   - Press releases and announcements to Bursa Malaysia and subsequently to the media; and
   - An online Investor Relations section and online Press Room, the "Maxis Media Centre", which can be accessed by shareholders and the general public via the Company's website at www.maxis.com.my

   The Group's website is updated from time to time to provide current and comprehensive information about the Group.

   Please also refer to the Investor Relations section on pages 29 to 30 of this Annual Report.

   The Board has identified Dato' Mokhzani bin Mahathir as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed.

   (i) Dato' Mokhzani bin Mahathir can be contacted as follows:
   Telephone number: +603 2330 7000 Facsimile number: +603 2330 0590
   Email address: mmokhza@maxis.com.my

   Queries or concerns regarding the Group may be also conveyed to the following persons:

   (ii) Nasution bin Mohamed
   Chief Financial Officer, for financial related matters
   Telephone number: +603 2330 7000 Facsimile number: +603 2330 0555

(iii) Audrey Ho Swee Fong
Investor Relations, for investor relations matters
Telephone number: +603 2330 7000 Facsimile number: +603 2330 0555
Email: ir@maxis.com.my

(iv) Dipak Kaur
Company Secretary, for shareholders' enquiries
Telephone number: +603 2330 7000 Facsimile number: +603 2330 0590

2. Annual General Meeting ("AGM")
The AGM is the principal forum for dialogue with all shareholders who are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. The Board has taken reasonable steps to encourage shareholder participation at general meetings. Shareholders are encouraged to participate in the Question and Answer session on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles to attend and vote on their behalf. The Chairman and Board members are in attendance to provide clarification on shareholders' queries. Where appropriate, the Chairman of the Board will endeavour to provide the shareholders with written answers to any significant questions that cannot be readily answered during the AGM. Shareholders are welcome to raise queries by contacting Maxis at any time throughout the year and not only at the AGM.

The Companies Act, 1965 and the Company's Articles require 21 days' notice for Annual General Meeting but the Company has gone beyond the prescribed requirement to issue notice with 28 days' notice period. Notices of the annual general meetings are also advertised in national daily newspapers in English, Bahasa Malaysia, Mandarin and Tamil languages. Each notice of a general meeting, which includes any item of special business, will be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. Separate resolutions are proposed for substantially separate issues at the AGM.

A toll-free line has been set up and an email account has also been created to attend to all queries from shareholders pertaining to the this Annual Report, including any queries relating to the use of CD-ROM, form of proxy and all other matters relating to this forthcoming AGM. The toll-free number 1800 828 001 and email address agm2013@maxis.com.my will be valid from 11 April 2013 to 16 May 2013.

The Board considers electronic poll voting as a viable voting option for its shareholders provided that it is able to satisfy itself that the infrastructure is reliable and cost effective.

3. Whistle-Blowing
In light of the requirements stipulated under the Capital Markets and Services Act 2007, the Bursa Securities' Corporate Governance Guide and the Companies Act, 1965, the Board recognises the importance of whistle-blowing and is committed to maintaining the highest standards of ethical conduct within the Group.

A secure reporting mechanism for employees and third parties called the 'Ethics Hotline' has been established to report any alleged unethical behavior, actual or suspected fraud within the Group. Dedicated channels for reporting have been set up. These channels, under the custodian of Internal Audit Department, are:
- Call or SMS to ethics hotline number (03-23306678 or 017-2003922);
- Email to ethics@maxis.com.my;
- Send letters/documents to the Ethics Hotline Office c/o Internal Audit Department (Level 21, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia).

The Board and the Management give their assurance that employees' and third parties' identities are kept confidential and that whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of the Management provided that they act in good faith in their reporting. All concerns raised will be investigated by a team comprising Internal Audit, Human Resource personnel and/or line management. All fraud and cases of unethical conduct will be deliberated at the Defalcation Committee (an internal committee comprising Senior Management as members) which meets regularly on matters pertaining to fraud and unethical practices. A report and updates on the fraud and cases of unethical conduct are provided to the Audit Committee on a quarterly basis.

ANNEXURE A

COURSES / PROGRAMMES ATTENDED BY THE DIRECTORS FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

NAME OF DIRECTOR	COURSE	DATE
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Khazanah Mega Trends Forum	1 & 2 Oct 2012
	Private Equity	12 Oct 2012
	Leadership for Sustainable Growth	26 Nov 2012
Robert William Boyle	Healthcare Finance Management Association conference	Feb 2012
	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	Association of Investment Companies conference	Mar 2012
	KPMG Seminar on Technology Risk	Apr 2012
	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	PwC Board Effectiveness seminar	Jul 2012
	PwC Technical update	Sep 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Telecom & Media Industry Briefing	Sep 2012
	KPMG Remuneration Seminar	Oct 2012
	PwC Seminar	Nov 2012
	PwC Audit Committee Chairs Dinner : Implications of AIFM	Nov 2012
	Leadership for Sustainable Growth	26 Nov 2012
	PwC Strategy & Growth Seminar	Dec 2012
	PwC Corporate Reporting Update	Dec 2012
	PwC Technical Accounting Update	Dec 2012
	Attended various unstructured trainings during the year such as: • Andrew Hunt Economics : Global weekly review • Economia Magazines of the ICAEW • Regular ICAEW email updates on Legal, regulatory, accounting and auditing technical and audit committee issues • Regular communications from the Big 4 as above • IAC email briefings • NHS briefings from e.g. DoH, NHS Confederation, The King's Fund • Charity briefings from PwC	-
Asgari bin Mohd Fuad Stephens	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	The Trans-Pacific Partnership and China's Policy Responses	26 Mar 2012
	Dynamic Evolution of the Pensions World	2 Apr 2012
	Modern Jobs for the High Income Economy	13 Apr 2012
	EU-Asia Biomass Best Practices & Business Partnering Conference 2012	8 May 2012
	Photovolic, Solar Energy and Green Technologies Malaysia/ Asia 2012 Conference	11 May 2012
	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	Malaysia in a new global contexts – realising Malaysia's true potential i) Post GE-13 : What Malaysians Expect? ii) Special Session "What's stopping us? Impediments of Malaysian Success"	19 Sep 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Mines & Money Australia 2012	15 – 17 Oct 2012
	Biomass Industry Networking	1 Nov 2012
	The ISIS Praxis	8 Nov 2012
	Leadership for Sustainable Growth	26 Nov 2012
	Global Islamic Wealth & Asset Mgt. – Capitalising Challenges & Opportunities	7 Dec 2012
	The Global Economy : What's wrong, What's new, What's next?	10 Dec 2012

NAME OF DIRECTOR	COURSE	DATE
Dato' Mokhzani bin Mahathir	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Leadership for Sustainable Growth	26 Nov 2012
Ghassan Hasbani	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
Dr. Fahad Hussain S. Mushayt	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Leadership for Sustainable Growth	26 Nov 2012
Krishnan Ravi Kumar	Leadership for Sustainability Growth	26 Nov 2012
Dr. Ibrahim Abdulrahman H. Kadi	The 9th Convergence Summit	23 May 2012
	Leadership for Sustainable Growth	26 Nov 2012
Augustus Ralph Marshall	Exploiting structural disruptions to find opportunities for growth	29 May 2012
Chan Chee Beng	Presentation on Nigeria's Political Situation, Social/Economic/Security Landscape, The Upcoming Petroleum Industry Bill, Etc	16 Feb 2012
	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	Presentation on Cloud Computing, Emergency Response and Security	28 May 2012
	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Briefing on 2012 Malaysian Code of Corporate Governance	21 Nov 2012
	Leadership for Sustainable Growth	26 Nov 2012
Alvin Michael Hew Thai Kheam	Importance of organisation as an enabler for effective strategy execution	24 Sept 2012
	Leadership for Sustainability Growth	26 Nov 2012
	Mandatory Accredetation Programme for Director of Public Listed Companies	5 & 6 Dec 2012
Sandip Das	Alignment of corporate culture with corporate vision – where it has worked successfully	20 Feb 2012
	Exploiting structural disruptions to find opportunities for growth	29 May 2012
	How Companies can contribute to effective education programmes	12 Mar 2012
	CEO Breakfast : How brands create financial value	6 Jul 2012
	Leadership	17 Jul 2012
	Importance of organisation as an enabler for effective strategy execution	24 Sep 2012
	Leadership for Sustainable Growth	26 Nov 2012
	Customer Centrics & Managing Outsourced Services/Managed Services	4 Dec 2012
	Iclif Alumni Dinner	10 Dec 2012

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The Board is pleased to share the key aspects of the Group's risk management and internal control system in respect of the financial year ended 31 December 2012.

In discharging its stewardship responsibilities, the Group has established a sound risk management framework and procedures of internal control. These procedures, which are subject to regular review by the Board, provide an ongoing process for identifying, evaluating and managing significant risks faced by the Group that may affect the achievement of its business objectives. The Group's risk management framework and internal control procedures, in all material aspects, are consistent with the guidance provided to Directors as set out in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board of Maxis, in discharging its responsibilities, is fully committed to articulating and maintaining a sound risk management and internal control environment. The Board is responsible for determining the company's level of risk tolerance and in conjunction with management, to actively identify, assess and monitor key business risks in order to safeguard shareholders' investments and the Group's assets. The risk management and internal control systems are designed to identify and manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. They can only provide reasonable and not absolute assurance against fraud, material misstatement or loss.

RISK MANAGEMENT

The Board regards risk management as an integral part of the Group's business operations. There is an established Enterprise Risk Management ("ERM") Framework for systematically identifying, analysing, measuring, monitoring and reporting on the risks that may affect the achievement of its business objectives.

The ERM department, alongside the Group's operational managers, continuously identify, monitor and mitigate the risks and reports the results to Senior Management. The Audit Committee receives a half-yearly report on the risk profile of the Group and the status of progress towards mitigating the risk areas.

The Board and Management drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture through education. Regular risk awareness and coaching sessions are conducted at the operational level to promote the understanding of risk management principles and practices across different functions within the Group. In addition, a risk-based approach is embedded into existing key processes as well as new key projects, and is compatible with the Group's internal control systems. This is elaborated in detail under a separate statement called "Risk Management" on pages 217 to 218.

CONTROL ENVIRONMENT AND STRUCTURE

The Board and Management have established numerous processes for identifying, evaluating and managing the significant risks faced by the Group. These include periodic testing of the effectiveness and efficiency of the internal control procedures and updating the system of internal controls when there are changes to the business environment or regulatory guidelines. These processes have been in place for financial year ended 31 December 2012 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the annual report.

The key elements of the Group's control environment include:

1. **Organisation Structure**
   In providing direction and oversight, the Board is supported by a number of established Board committees, namely the Audit, Nomination, Remuneration and ESOS Committees. Each Committee has clearly defined terms of reference and responsibilities. Further, the Board has the power to establish ad-hoc committees comprising Directors or Directors and Management to oversee specific matters within the defined scope and terms of reference. Responsibility for implementing the Group's strategies and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to Management. The organisation structure sets out a clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship.

2. Audit Committee

The Audit Committee comprises only non-executive members of the Board, the majority of whom are Independent Directors. The current Audit Committee comprises members who bring with them a wealth of knowledge, expertise and experience from different industries and backgrounds. The Audit Committee reviews the Group's financial reporting process, the system of internal controls and management of enterprise risk, the audit process and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct, as well as such other matters, which may be specifically delegated to the Committee by the Board, from time to time. Throughout the financial year, Audit Committee members are briefed on corporate governance practices, updates to Malaysian Financial Reporting Standards, as well as legal and regulatory requirements in addition to key matters affecting the financial statements of the Group.

The Audit Committee also reviews and reports to the Board the engagement and independence of the external auditors and their audit plan, nature, approach, scope and other examinations of the external audit matters. It also reviews the effectiveness of the internal audit function which is further described in the following section on Internal Audit.

The Audit Committee continues to meet regularly and has full and unimpeded access to the internal and external auditors and all employees of the Group. The Chairman of the Audit Committee provides the Board with reports on all meetings of the Audit Committee. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report on pages 190 to 194.

3. Internal Audit

The Internal Audit department continues to independently, objectively and regularly review key processes, check compliance with policies/procedures, evaluate the adequacy and effectiveness of internal control, risk management and governance processes established by management and/ or the Board within the Group. It highlights significant findings and corrective measures in respect of any non-compliance to Senior Management and the Audit Committee on a timely basis. Its work practices are governed by the Internal Audit Charter, which is subject to revision on an annual basis. The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the Audit Committee annually and an update is given to the Audit Committee every quarter. The Audit Committee oversees the Internal Audit department's function, its independence, scope of work and resources. The Internal Audit department also maintains a quality assurance and improvement programme and continuously monitors its overall effectiveness through internal self-assessment and independent external assessment.

The Internal Audit function meets the requirements of the latest International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors Inc. Further activities of the Internal Audit function are set out in the Audit Committee Report on pages 190 to 194.

4. Code of Business Practice

The Group is committed to conducting business fairly, impartially and ethically and in full compliance with all laws and regulations. To this end, there are two detailed Maxis Code of Business Practices ("the Code"); one for Directors and employees and another for third parties, which stipulate how Directors and employees as well as external parties such as vendors, dealers and business partners should conduct themselves in all business matters. All Directors and employees are required to declare that they are in compliance with the Code upon joining the Group and on an annual basis. External parties such as vendors, dealers and business partners who conduct business with the Group are required to sign a declaration that they have read and will adhere to the contents of the Code.

To support the implementation and effectiveness of the Code, there is an established Office of Business Practice to provide policy guidance and to facilitate compliance. The Office of Business Practice will continuously look at ways to enhance the Group's highest standards of business conduct and ethics, and to benchmark these against best practices. In addition, there is also an Ethics Hotline, a safe and effective channel to allow employees or parties dealing with us to report any observed behavioural inconsistencies which are not in accordance with the general standards and business ethics.

5. Revenue Assurance

The Revenue Assurance department is responsible for the continuous monitoring of potential revenue leakage that may arise from day-to-day operations. Processes and controls within the revenue cycle are reviewed on a rotational basis to ensure they function effectively and efficiently. This includes performance and examination of regular test calls, reconciliations of data or calls data records from network and content platforms to the billing systems and independent rating of service via automated tools. These findings and corresponding actions taken are reported to the Management on a quarterly basis. Key issues on identified revenue leakages and mitigation action taken are reported to the Audit Committee on a half-yearly basis. The Revenue Assurance department meets key stakeholders on an ongoing basis to address key revenue assurance issues and drive revenue assurance initiatives across the Group.

6. Subscriber Fraud Management

The Subscriber Fraud Management ("SFM") function complements the Revenue Assurance function. While the Revenue Assurance function reviews controls within the revenue cycle as indicated above, the SFM function monitors daily subscriber calls on a near real-time basis. Appropriate actions are taken immediately for suspected fraudulent calls, using an industry developed system to monitor call patterns on a 24/7 basis throughout the financial year and other manual reporting investigations. It also reviews key new services and products for possible fraud risk and recommends counter-measures. Fraud findings with remedial actions taken are reported on a monthly basis to Management and presented half-yearly to the Audit Committee.

7. Business Continuity Planning

The Business Continuity Planning ("BCP") is responsible for identifying activities and operations that are critical to sustaining business operations in the event of a disaster. These include facilitating the building of additional redundancies in network infrastructure, establishing alternate sites where key operational activities can be resumed and mitigating the risk of high-impact loss events through appropriate insurance coverage. A risk-based approach is applied in identifying the key initiatives and their levels of importance by reviewing critical systems and single-point failures as well as their impact on the business of the Group as a whole. During the financial year, selected critical areas as identified by risk priority were tested to assess the effectiveness of the implemented BCP initiatives. These tests were successfully executed and the progress of these initiatives was reported monthly to the Management and presented half-yearly to the BCP Steering Committee and the Audit Committee.

8. Regulatory

The Regulatory function ensures compliance with the Communications and Multimedia Act 1998 ("CMA"), and its subsidiary legislation, which regulate the Group's core business in the communications and multimedia sector in Malaysia. As a licensee under the CMA, the Group adheres to its licensing conditions, as well as economic, technical, social and consumer protection regulations embedded in the CMA and its subsidiary legislation. The Group actively participates in new regulatory and industry development consultations initiated by the regulator SKMM.

The Regulatory function also frequently engages the SKMM and the Ministry of Information Communication and Culture in discussions on pertinent industry issues.

9. Legal

The Legal department plays a pivotal role in ensuring that the interests of the Group are preserved and safeguarded from a legal perspective. It also plays a key role in advising the Board and Management on legal and strategic matters. The Board is briefed through reports to the Audit Committee as and when there are any changes in applicable provisions of the law.

10. Limits of Authority

A Limits of Authority ("LOA") manual sets out the authorisation limits for various levels of Maxis' Management and staff and also those matters requiring Board approval to ensure accountability, segregation of duties and control over the Group's financial commitments. The LOA manual is reviewed and updated periodically to reflect business, operational and structural changes.

11. Policies and Procedures

There is extensive documentation of policies, procedures, guidelines and service level agreements in manuals and on the Group's intranet site including those relating to Finance, Contract Management, Marketing, Procurement, Human Resources, Information Systems, Network Operations, Legal, System and Information Security Controls. Continuous control enhancements are made to cater for business environment changes and in line with Maxis' new and growing business strategy.

12. Financial and Operational Information

A detailed budgeting and reporting process has been established. Comprehensive budgets are prepared by the operating units and presented to the Board before the commencement of a new financial year. Upon approval of the budget, the Group's performance is tracked and measured against the approved budget on a monthly basis. Reporting systems which highlight significant variances against plan are in place to track and monitor performance. These variances in financial as well as operational performance indices are incorporated in detail in the monthly management reports. On a quarterly basis, the results are reviewed by the Board to enable the Directors to gauge the Group's overall performance compared to the approved budgets and prior periods.

13. **Systems and Information Security**
    The Systems and Information Security department ("SIS") is responsible for continuously monitoring and resolving security threats to the Company both internally and externally. This includes conducting security awareness, vulnerability assessment and penetration test programmes, and compliance audits on the IT systems and Networks of Maxis to reduce the impact of service interruption due to attacks, negligence and malware. The effectiveness of the security programme is validated by external security consulting companies.

    Apart from the internal security compliance programmes, SIS is also required to maintain and assist in the compliance of the following regulatory and industry security programmes, namely: MS/ISO27001:2007, Payment Card Industry/Data Security Standard, and the Personal Data Protection Act 2010.

    SIS is governed by a group of Maxis Senior Leadership team members who meet quarterly to direct and approve the corporate security policies and standards set by the department and security projects undertaken by the team. It is also responsible for updating the Audit Committee at least annually on the Company's security status.

MONITORING AND REVIEW

The processes that monitor and review the effectiveness of the system of risk management and internal controls include:

1. **Management Representation to the Board** by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), based on representations made to them by Management on the adequacy and effectiveness of the Group's risk management and internal control system in their respective areas. Any material exceptions identified are highlighted to the Board.

2. **Internal Audit** in their quarterly report to the Audit Committee and Senior Management continues to highlight significant issues and exceptions identified during the course of their review on processes and controls compliance.

3. **The Defalcation Committee** meets and deals regularly on matters pertaining to fraud and unethical practices. All issues arising from work carried out by the investigation team within the Internal Audit department and Management are channeled to this committee for deliberation. Appropriate actions are then taken based on the findings.

4. **Enterprise Risk Management department** reports to the Board on a half-yearly basis through the Audit Committee on the risk profile of the Group and the progress of action plans to manage and mitigate the risks.

    Management has taken the necessary actions to remedy weaknesses identified for the period under review. The Board and Management will continue to monitor the effectiveness and take measures to strengthen the risk management and internal control environment.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control that would require separate disclosure in the Group's Annual Report. The CEO and CFO have provided assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Risk Management and Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5: Guidance for Auditors on the Review of Directors' Statement on Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal control of the Group. RPG 5 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

DIRECTORS' RESPONSIBILITY STATEMENT

The Companies Act, 1965 ("the Act") requires the Directors to prepare financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, and the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia, and to lay these before the Company at its Annual General Meeting.

The Directors are responsible for ensuring that the financial statements provide a true and fair view of the financial position of the Group and the Company as at 31 December 2012 and of their financial performance and cash flows for the financial year ended 31 December 2012.

The Act also requires the Directors to keep such accounting and other records in a manner that enables them to sufficiently explain the transactions and financial position of the Company and the Group and to prepare true and fair financial statements and any documents required to be attached, as well as to enable such accounting records to be audited conveniently and properly.

In undertaking the responsibility placed upon them by law, the Directors have relied upon the Group's system of internal control to provide them with reasonable grounds to believe that the Group's accounting records, as well as other relevant records, have been maintained by the Group in a manner that enables them to sufficiently explain the transactions and financial position of the Group. This also enables the Directors to ensure that true and fair financial statements and documents required by the Act to be attached, are prepared for the financial year to which these financial statements relate.

Incorporated on pages 92 to 185 of this Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2012.

ENTERPRISE RISK MANAGEMENT

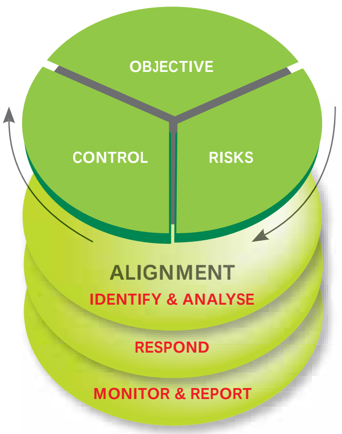
The Board of Directors ("Board") is ultimately responsible for the management of risk. The oversight of this critical area is carried out through the Audit Committee and reported to the Board at half-yearly meetings.

The Board is pleased to share the activities of Maxis Enterprise Risk Management ("ERM") in relation to the Group in respect of the financial year ended 31 December 2012.

The Group operates in a highly competitive and technology-based environment. The ability to effectively identify and manage risk reduces the uncertainties surrounding the Group's internal and external environment, thus allowing it to maximise opportunities that may arise as well as minimise the effects on the Group from adverse incidences. The major risks to which the Group is exposed to are strategic, operational, regulatory, legal, financial, market, technological, product and reputational risks. These risks are proactively identified, evaluated, monitored and reported to Senior Management, Audit Committee and the Board through the ERM process.

Maxis ERM adopts a structured and integrated approach in managing key business risks in line with the risk management framework and best practices. This approach is consistent with the ERM framework of the Committee of Sponsoring Organisation ("COSO") and involves the systematic identification and analysis of risks which impact the Group's objectives, formulation of response strategies and monitoring and reporting of the risk management progress on a regular basis. The implementation of the ERM framework ensures that major areas of risks are identified, managed and controlled or mitigated effectively.

MAXIS' ENTERPRISE RISK MANAGEMENT FRAMEWORK



The ERM process is based on the following principles:

- Consider and manage risks enterprise-wide;
- Integrate risk management into business activities;
- Manage risks in accordance with the Risk Management framework;
- Tailor responses to business circumstances; and
- Communicate risks and responses to Management.

Risk management is firmly embedded within the business units through the annual strategic and budgeting processes. The business units, being the first line of defense against risks, are responsible for identifying, mitigating and managing risks within their respective areas. These units are to ensure that their day-to-day business activities are carried out within the established risk policies, procedures and limits.

All risks identified are assessed to determine the risk ranking and displayed on a 5 by 5 risk matrix. With this visual representation, the risk owners and Senior Management can prioritise their efforts and manage the different classes of risks appropriately.

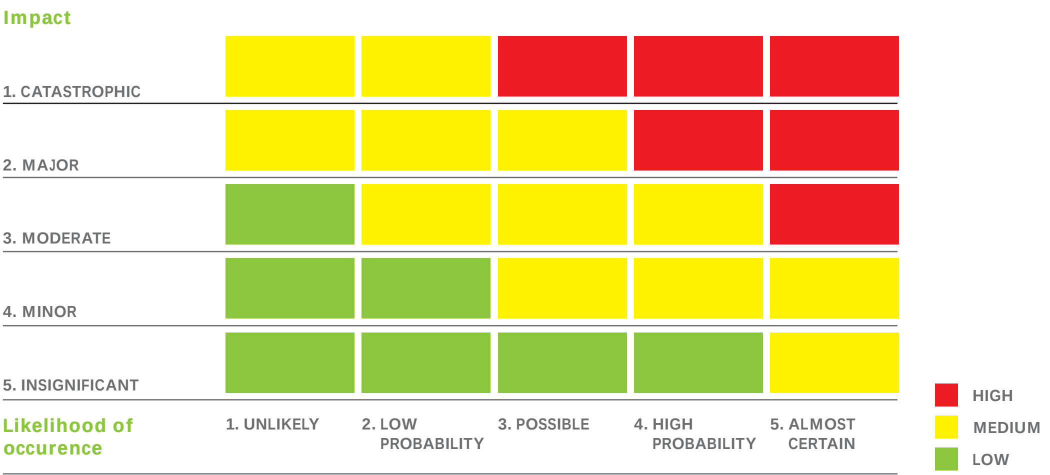
The Audit Committee, supported by the Internal Audit Department, provides an independent assessment of the adequacy and reliability of the ERM processes.

There is a dedicated ERM department responsible for managing the risk management process within the Group. The following activities were carried out by the ERM department, amongst others, in the discharge of its duties and responsibilities as set out in its charter:

- Steered the Group's Risk Management programme and ensured timely updates of risk profiles by the respective business units;
- Provided half-yearly reports to the Audit Committee on the risk profile of the Group and the status of progress towards mitigating the risk areas;
- Provided a summary of key risks to the Audit Committee;
- Conducted continuous risk awareness, education and review sessions with relevant heads of divisions / departments / risk owners on enterprise risk management best practices and promoted a proactive risk management culture;
- Provided assistance to business units to ensure risk management is firmly embedded in their day-to-day operations, and that all key risks are identified and appropriate mitigation plans and controls are in place;
- Analysed risk assessment reports from all business units and conducted presentations at the Senior Leadership Team meeting (chaired by the CEO or CFO in the CEO's absence), for deliberation of risks that impact the annual operating plans and business objectives by Senior Management;
- Monitored the results of ERM department's key performance indicators; and
- Provided relevant information on risk management to all Maxis staff via the internal website.

The ERM department is continuously strengthening the risk management initiatives within the Group to ensure that it responds effectively to the constantly changing business environment and is thus able to protect and enhance shareholder value.

RISK RATING SCALE - 5 BY 5 MATRIX



ETHICAL BUSINESS PRACTICES

As a public listed company, Maxis Berhad (including its subsidiaries and collectively referred to as "the Company") is committed to conducting its business fairly, impartially and in full compliance with all laws and regulations. Honesty and integrity must be upheld at all times in the course of the Company's daily dealings between its Directors, employees and its customers, vendors, contractors, suppliers and the business community generally. Directors and employees are prohibited from engaging in business practices that affect and impair the company's integrity, image and reputation.

To this end, the Company has established the Code of Ethics. It was formalised and introduced to employees in September 1997. It generally governed the behaviour and action of employees in the daily performance of their work and their business conduct. In November 2001, the Code of Ethics was re-named the Maxis Code of Business Practice ("the Code") consolidating the Code of Ethics along with the salient points of other policies namely the Procurement Manual, Work Schedule Policy, Fleet Policy, Manual of Limits of Authority, etc. Apart from providing policy guidance, it is intended to assist Directors, employees and parties doing business with the Company to understand and comply with the Company's expectations of sound business practice.

The Code outlines four principal areas of business relationship. Its objective is to ensure that under no circumstances should the Company's business interactions be tainted by improprieties or malpractices, be it by Directors, employees or parties doing business with the Company. This includes the clear message that the Company will not accept business courtesies, whether directly or indirectly, except courtesies channeled through the Office of Business Practice or those offered in situations that are accepted as business norms.

RESPONSIBILITY AND ACCOUNTABILITY:

Directors and Employees:

Directors and employees must comply with the Code; ignorance of its existence or any related amendment or variation to it will not be accepted as an excuse for its breach. The Company requires all Directors and employees to sign an annual declaration to abide by this Code, as it will be continuously updated to suit business requirements.

Managers and Supervisors:

Managers and supervisors have the added responsibility of taking the lead and ensuring all employees conform to the Code, in both words and actions.

They must also be on the constant lookout for indications of any unethical or even illegal business conduct. They will also be held accountable to some extent if unethical or illegal business conduct committed by their employees are due to their negligence.

Vendors and Suppliers/Contractors:
The Company also expects all its suppliers, vendors, contractors and their respective subcontractors to conform to the principles outlined in the Code in their relationships and dealings with the Company. If difficulties arise, the Company will work closely with them to resolve any issues arising, and if this fails, the Company will find other parties who can meet the Company's business standards as prescribed in the Code.

Open Door Practice:
If an employee has any concerns, queries, knowledge or information concerning any unethical business practices taking place involving the Company, he or she is expected to take appropriate and consistent action by informing his or her manager or the Office of Business Practice. All correspondence with the manager or the Office of Business Practice shall be treated in the strictest confidence unless required to be declared under law. Anonymous complaints and/or letters will, however, not be entertained. All employees shall further be treated with dignity and respect and will not be subject to retaliation, threats or harassment for raising concerns or reporting any violations of the Code.

The Open Door Practice is also applicable to the Company's suppliers, vendors, contractors and/or their respective subcontractors, in that, if they have any concerns about any unethical business practices taking place in the Company, they shall be responsible to contact the Office of Business Practice immediately.

The Office of Business Practice can be contacted via:

Telephone	:	03-23307002 (Office Hours)
E-mail	:	codebp@maxis.com.my
Office address	:	Office of Business Practice Maxis Code of Business Practice c/o Human Resources Division Level 17, Menara Maxis, KLCC 50088, Kuala Lumpur.

Ethics Hotline (A Whistle-Blowing Mechanism):

To further support the efforts of the Office of Business Practice in ensuring better corporate governance, the Company has established a whistle-blowing mechanism, called the Ethics Hotline.

It is a safe and effective channel for our employees, parties dealing with the Company or even our customers to report to the Company any observed behavioral inconsistencies and/or malpractices such as, but not exhaustive to, the following:

1. Abuse and theft
2. Breach of contract
3. Negligence resulting in substantial loss and/or specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud
6. Criminal offence
7. Breach of customer confidentiality and proprietary information
8. Deliberate violation of law and regulation
9. Wastage and/or misappropriation of company funds/properties
10. Breach of the Maxis Code of Business Practice
11. Any other unethical, biased, favoured, imprudent behaviour or conduct which is not in accordance with the general standards of business ethics

To ensure that this policy is adhered to, and that the concerns raised through this channel will be received and acted upon seriously, the Company will abide by the following guiding principles:

1. Investigate with impartiality
2. Ensure that the whistle-blower and the person processing the protected disclosure is not victimised for doing so
3. Treat victimisation as a serious matter including instituting disciplinary action on such person(s)
4. Ensure complete confidentiality
5. Make no attempt to conceal evidence of the protected disclosure
6. Provide an opportunity of being heard to the persons involved especially to the 'accused'
7. Protected disclosure will be deliberated at the Defalcation Committee level (if it involves breach of ethical matters) and the findings will be reported to the Audit Committee.

Although the Company will treat every report it receives seriously, action may also be considered against the whistle-blower if the report is found to be false and/or a deliberate attempt to shame and humiliate another party.

The Ethics Hotline will be manned on a 24-hour basis and all information received will be treated with strict confidentiality. Any observed behavioral inconsistencies can be reported through the following Ethics Hotline channels:

1. Ethics Hotline: (a) 03-23306678 (during office hours)
(b) 017-2003922 (24-hours, SMS or call)

2. Email: ethics@maxis.com.my

3. Letters/documents to be addressed to:
Ethics Hotline Office
c/o Internal Audit Department
Level 21, Menara Maxis
50088 Kuala Lumpur, Malaysia.

(The Ethics Hotline details are also available on the Maxis website at www.maxis.com.my)

SIZE OF SHAREHOLDINGS

AS AT 8 MARCH 2013

SHARE CAPITAL

Authorised	:	RM1,200,000,000 divided into 12,000,000,000 ordinary shares of RM0.10 each
Issued and paid-up	:	RM750,065,450 divided into 7,500,654,500 ordinary shares of RM0.10 each
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Right	:	One vote per ordinary share

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARES
Less than 100	342	0.69	3,173	0.00
100 to 1,000	25,658	51.42	24,374,770	0.33
1,001 to 10,000	20,088	40.26	79,507,020	1.06
10,001 to 100,000	3,130	6.27	90,315,226	1.20
100,001 to 375,032,724 (*)	673	1.35	1,525,812,411	20.34
375,032,725 and above (**)	3	0.01	5,780,641,900	77.07
Total	**49,894**	**100**	**7,500,654,500**	**100.00**

* Less than 5% of issued holdings

** 5% and above of issued holdings

Note:

Information in the above table is based on Record of Depositors dated 8 March 2013.

DISTRIBUTION TABLE ACCORDING TO CATEGORY OF SHAREHOLDERS

AS AT 8 MARCH 2013

CATEGORY OF SHAREHOLDERS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARES
Individuals	44,769	89.73	165,968,152	2.21
Bank/Finance Companies	97	0.19	1,074,525,666	14.33
Investment Trusts/Foundations/Charities	5	0.01	75,000	0.00
Other Types of Companies	388	0.78	4,901,718,707	65.35
Government Agencies/Institutions	6	0.01	16,780,800	0.22
Nominees	4,629	9.28	1,341,586,175	17.89
Total	**49,894**	**100.00**	**7,500,654,500**	**100.00**

Note:

Information in the above table is based on Record of Depositors dated 8 March 2013.

DIRECTORS' INTEREST IN SHARES

AS AT 8 MARCH 2013

Based on the Register of Directors' Shareholdings, the interests of the Directors in the shares of the Company (both direct and indirect) as at 8 March 2013 are as follows:

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH IN MAXIS ("MAXIS SHARES")		% OF ISSUED SHARES	
NAME	DIRECT *	INDIRECT	DIRECT	INDIRECT
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000 (1)	–	0.01	–
Robert William Boyle	100,000	–	#	–
Dato' Mokhzani bin Mahathir	750,000	1,000 (3)	0.01	#
Asgari bin Mohd Fuad Stephens	375,000 (1)	–	0.005	–
Krishnan Ravi Kumar	–	–	–	–
Dr. Fahad Hussain S Mushayt	–	–	–	–
Dr. Ibrahim Abdulrahman H.Kadi	–	–	–	–
Augustus Ralph Marshall	750,000 (1)	–	0.01	–
Chan Chee Beng	750,000 (1)	–	0.01	–
Alvin Michael Hew Thai Kheam	–	–	–	–
Sandip Das	750,000 (2)	–	0.01	–

* Subscription of Maxis Shares under the preferential share allocation scheme pursuant to Initial Public Offering of Maxis

Notes:

Negligible

(1) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn. Bhd.

(2) Held through a nominee, namely CIMSEC Nominees (Asing) Sdn. Bhd.

(3) Deemed interest in shares of the Company held by spouse pursuant to Section 134 (12)(c) of the Companies Act, 1965

30 LARGEST SHAREHOLDERS

AS AT 8 MARCH 2013

NO.	NAME	NO. OF SHARES HELD	%
1	Maxis Communications Berhad	4,875,000,000	64.99
2	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	475,732,900	6.34
3	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	429,909,000	5.73
4	Kumpulan Wang Persaraan (Diperbadankan)	248,989,200	3.32
5	AmanahRaya Trustees Berhad Amanah Saham Malaysia	111,000,000	1.48
6	Cartaban Nominees (Asing) Sdn. Bhd. Exempt AN For State Street Bank & Trust Company (West CLT OD67)	74,607,100	0.99
7	AmanahRaya Trustees Berhad As 1Malaysia	52,808,000	0.70
8	HSBC Nominees (Asing) Sdn. Bhd. BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	48,620,050	0.65
9	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	47,598,700	0.63
10	AmanahRaya Trustees Berhad Amanah Saham Wawasan 2020	47,132,700	0.63
11	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt AN For EastSpring Investments Berhad	42,938,100	0.57
12	AmanahRaya Trustees Berhad Amanah Saham Didik	26,981,100	0.36
13	HSBC Nominees (Asing) Sdn. Bhd. BNY Brussels For Wisdomtree Emerging Markets Equity Income Fund	23,884,100	0.32
14	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN For JPMorgan Chase Bank, National Association (U.A.E.)	22,782,900	0.30
15	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN For American International Assurance Berhad	18,621,800	0.25

NO.	NAME	NO. OF SHARES HELD	%
16	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN For JPMorgan Chase Bank, National Association (U.S.A.)	18,218,250	0.24
17	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Nomura)	18,120,900	0.24
18	AmanahRaya Trustees Berhad Public Islamic Dividend Fund	16,319,100	0.22
19	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN For The Bank Of New York Mellon (Mellon Acct)	15,951,957	0.21
20	Cartaban Nominees (Asing) Sdn. Bhd. Government Of Singapore Investment Corporation Pte. Ltd. For Government Of Singapore (C)	14,752,600	0.20
21	HSBC Nominees (Asing) Sdn. Bhd. HSBC-FS For Schroder Asian Asset Income Fund	14,203,500	0.19
22	AMSEC Nominees (Tempatan) Sdn. Bhd. Amtrustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	12,152,800	0.16
23	Lembaga Tabung Angkatan Tentera	10,904,800	0.15
24	AmanahRaya Trustees Berhad Public Islamic Equity Fund	10,508,100	0.14
25	Cartaban Nominees (Asing) Sdn. Bhd. BBH (LUX) SCA For Fidelity Funds ASEAN	10,393,400	0.14
26	Citigroup Nominees (Asing) Sdn. Bhd. Legal & General Assurance (Pensions Management) Limited (A/C 1125250001)	10,252,331	0.14
27	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Gegas Cekap Sdn. Bhd. (PB)	10,000,000	0.13
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Tiara Gateway Sdn. Bhd. (PB)	10,000,000	0.13
29	Valuecap Sdn. Bhd.	9,921,500	0.13
30	Citigroup Nominees (Tempatan) Sdn. Bhd. ING Insurance Berhad (INV-IL PAR)	9,612,600	0.13

Note:
Information in the above table is based on Record of Depositors dated 8 March 2013

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

The shareholders holding more than 5% interest, direct and indirect, in the ordinary shares of RM0.10 each in Maxis Berhad ("the Company") (Shares) based on the Register of Substantial Shareholders of the Company as at 8 March 2013 are as follows:

	DIRECT		INDIRECT	
NAME OF SUBSTANTIAL SHAREHOLDER	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
Maxis Communications Berhad ("MCB")	4,875,000,000	64.99	–	–
Binariang GSM Sdn. Bhd. ("BGSM") (1)	–	–	4,875,000,000	64.99
Usaha Tegas Equity Sdn. Bhd. ("UTE") (2)	–	–	4,875,000,000	64.99
Usaha Tegas Sdn. Bhd. ("Usaha Tegas") (3)	–	–	4,875,000,000	64.99
Pacific States Investment Limited ("PSIL") (4)	–	–	4,875,000,000	64.99
Excorp Holdings N.V. ("Excorp") (5)	–	–	4,875,000,000	64.99
PanOcean Management Limited ("PanOcean") (5)	–	–	4,875,000,000	64.99
Ananda Krishnan Tatparanandam ("TAK") (6)	–	–	4,875,000,000	64.99
Harapan Nusantara Sdn. Bhd. ("Harapan Nusantara") (7)	–	–	4,875,000,000	64.99
Tun Dr. Haji Mohammed Hanif bin Omar (8)	–	–	4,875,000,000	64.99
Dato' Haji Badri bin Haji Masri (8)	–	–	4,875,000,000	64.99
Mohamad Shahrin bin Merican (8)	11,000	*	4,875,000,000	64.99
STC Malaysia Holding Ltd ("STCM") (9)	–	–	4,875,000,000	64.99
STC Asia Telecom Holding Ltd ("STCAT") (10)	–	–	4,875,000,000	64.99
Saudi Telecom Company ("Saudi Telecom") (11)	–	–	4,875,000,000	64.99
Public Investment Fund ("PIF") (12)	–	–	4,875,000,000	64.99
AmanahRaya Trustees Berhad ("ARB") – Skim Amanah Saham Bumiputera	482,762,600	6.44	–	–
Employees Provident Fund Board ("EPF")	420,889,000	5.61	39,692,500 (13)	0.53

Notes:

* Negligible

(1) BGSM's deemed interest in the Shares arises by virtue of its direct equity interests of 100% in MCB.

(2) UTE's deemed interest in the Shares arises by virtue of its direct equity interest of 100% in each of Wilayah Bintang Sdn. Bhd., Tegas Mahsuri Sdn. Bhd., Besitang (M) Sdn. Bhd. and Besitang Utara Sdn. Bhd. which in turn wholly-own Wilayah Resources Sdn. Bhd., Tegas Puri Sdn. Bhd., Besitang Barat Sdn. Bhd. and Besitang Selatan Sdn. Bhd. (collectively, "UT Subsidiaries") respectively. The UT Subsidiaries hold in aggregate 37% direct equity interest in BGSM, and therefore via such aggregate interest, UTE has a deemed interest over all the Shares held by MCB. See Note (1) above for BGSM's deemed interest in the Shares.

(3) Usaha Tegas is deemed to have an interest in all of the Shares in which UTE has an interest, by virtue of Usaha Tegas being entitled to exercise 100% of the votes attached to the voting shares of UTE. See Note (2) above for UTE's deemed interest in the Shares.

(4) PSIL is deemed to have an interest in all of the Shares in which Usaha Tegas has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of Usaha Tegas. See Note (3) above for Usaha Tegas' deemed interest in the Shares.

(5) The shares in PSIL are held by Excorp which is in turn 100% held by PanOcean. See Note (4) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of such discretionary trust.

(6) TAK is deemed to have an interest in the Shares in which BGSM has an interest, by virtue of the following:

a. PanOcean's deemed interest in the Shares. See Note (5) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in such Shares, he does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (5) above;

b. his controlling interest in Eridanes International N.V. ("EINV"), the immediate holding company of East Asia Telecommunications Ltd, Global Multimedia Technologies ("BVI") Ltd and Worldwide Communications Technologies Ltd which in turn collectively own Maxis Holdings Sdn. Bhd. ("MHSB"). EINV has a 53.50% equity interest in Shield Estate N.V. ("SENV") via MHSB;

c. his controlling interest in MAI Holdings Sdn. Bhd. ("MAIH"), the immediate holding company of Pacific Fortune Sdn. Bhd. which in turn has a direct equity interest of 100% in each of Ria Utama Sdn. Bhd. ("RUSB") and Tetap Emas Sdn. Bhd. ("TESB"). MAIH has a 34.27% equity interest in SENV via RUSB and TESB; and

d. his controlling interest in MAI Sdn Berhad ("MAI"), the immediate holding company of Terang Equity Sdn. Bhd., which in turn has a direct equity interest of 100% in Wangi Terang Sdn. Bhd. ("WTSB"). MAI has a 12.23% equity interest in SENV via WTSB, and SENV has an 8% equity interest in BGSM which in turn wholly-owns MCB. MCB owns 64.99% direct equity interest in the Company.

(7) Harapan Nusantara is deemed to have an interest in all of the Shares in which Mujur Anggun Sdn. Bhd., Cabaran Mujur Sdn. Bhd., Anak Samudra Sdn. Bhd., Dumai Maju Sdn. Bhd., Nusantara Makmur Sdn. Bhd., Usaha Kenanga Sdn. Bhd. and Tegas Sari Sdn. Bhd. (collectively, "Harapan Nusantara Subsidiaries") have an interest, by virtue of Harapan Nusantara being entitled to control the exercise of 100% of the votes attached to the voting shares in each of the Harapan Nusantara Subsidiaries. The Harapan Nusantara Subsidiaries hold in aggregate 30% direct equity interest in BGSM and therefore, via such aggregate interest, Harapan Nusantara has a deemed interest over all the Shares held by MCB. See Note (1) above for BGSM's deemed interest in the Shares.

The Shares held via the Harapan Nusantara Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in the Shares via the Harapan Nusantara Subsidiaries, as such interest is held subject to the terms of such discretionary trusts.

(8) Deemed to have an interest in the Shares in which Harapan Nusantara has an interest, by virtue of his 25% direct equity interest in Harapan Nusantara. However, he does not have any economic interest in the Shares held via the Harapan Nusantara Subsidiaries as such interest is held subject to the terms of the discretionary trusts for Bumiputera objects. See Note (7) above for Harapan Nusantara's deemed interest in the Shares.

(9) STCM is deemed to have an interest in the Shares by virtue of its direct 25% equity interest in BGSM. See Note (1) above for BGSM's deemed interest in the Shares.

(10) STCAT is deemed to have an interest in all of the Shares in which STCM has an interest, by virtue of its direct 100% equity interest in STCM. See Note (9) above for STCM's deemed interest in the Shares.

(11) Saudi Telecom is deemed to have an interest in all of the Shares in which STCAT has an interest, by virtue of its direct 100% equity interest in STCAT. See Note (10) above for STCAT's deemed interest in the Shares.

(12) PIF is deemed to have an interest in all of the Shares in which Saudi Telecom has an interest, by virtue of its direct 70% equity interest in Saudi Telecom. See Note (11) above for Saudi Telecom's deemed interest in the Shares.

(13) The EPF is deemed to have an interest in 39,692,500 Shares held through nominees.

LIST OF PROPERTIES HELD BY MAXIS BERHAD

AS AT 31 DECEMBER 2012

	POSTAL ADDRESS	APPROXIMATE AGE OF BUILDING	TENURE/ DATE OF ACQUISITION	REMAINING LEASE PERIOD (EXPIRY OF LEASE)	CURRENT USE	LAND AREA (SQ METRE)	BUILD-UP AREA (SQ METRE)	NET BOOK VALUE AS AT 31 DECEMBER 2012 (RM'000)
1	Plot 12155 (Lot 13) Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	17 years	Freehold 9 May 1994	–	Telecommunications operations centre and office	11,235	10,061	21,584
2	Lot 4059, Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru	20 years	Freehold 21 July 1994	–	Telecommunications operations centre and office	2,201	2,531	4,921
	Lot 4046, Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru		Freehold 21 July 1994		Telecommunications operations centre and office	2,041	1,546	
3	Lot 2537 & 2538, Lorong Jelawat 6 Kawasan Perusahan Seberang Jaya 13700 Seberang Jaya Penang	16 years	Leasehold 5 January 1995	61 years (18 August 2073)	Telecommunications operations centre and office	3,661	2,259	6,409
4	PT 31093, Taman Perindustrian Tago Jalan KL - Sg.Buluh Mukim Batu, Gombak	15 years	Freehold 2 July 1996	–	Centre technical office	2,830	3,290	2,636
5	No 1, Taman Perindustrian Subang (Lion Industrial Park), Seksyen 22 40000 Shah Alam Selangor	18 years	Freehold 24 October 1995	–	Warehouse	17,721	1,886	8,439
6	Lot 943 & 1289 (No.Lot Pemaju - 46) Rawang Integrated Industrial Park Selangor	15 years	Freehold 12 April 1997	–	Central technical office	10,611	1,535	3,367
7	8101, Taman Desa Jasmin Block 12B, Bandar Baru Nilai Labu Negeri Sembilan	15 years	Freehold 28 December 1996	–	Central technical office	2,378	1,736	1,352

	POSTAL ADDRESS	APPROXIMATE AGE OF BUILDING	TENURE/ DATE OF ACQUISITION	REMAINING LEASE PERIOD (EXPIRY OF LEASE)	CURRENT USE	LAND AREA (SQ METRE)	BUILD-UP AREA (SQ METRE)	NET BOOK VALUE AS AT 31 DECEMBER 2012 (RM'000)
8	Lot 25, Lorong Burung Keleto Inanam Industrial Estate, Inanam 88450 Kota Kinabalu Sabah	12 years	Leasehold 11 May 2000	84 years (31 December 2096)	Telecommunications operations centre and office	16,149	3,372	9,411
9	Lot 2323, Off Jalan Daya Pending Industrial Estate, Bintawa 93450 Kuching Sarawak	12 years	Leasehold 28 September 2000	30 years (17 February 2042)	Telecommunications operations centre and office	10,122	3,382	18,734
10	Lot 11301, Jalan Lebuhraya Kuala Lumpur - Seremban Batu 8, Mukim Petaling 57000 Kuala Lumpur	13 years	Sub-Lease 9 August 1999	13 years (28 July 2025)	Telecommunications operations centre and office	11,592	5,634	16,341
11	No 26, Jalan Perdagangan 10 Taman Universiti 81300 Skudai Johor	18 years	Freehold 2 March 1995	–	BTS	2,294	409	1,069

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At an Extraordinary General Meeting held on 31 May 2012, the Company obtained a mandate from its shareholders (Shareholders' Mandate) for recurrent related party transactions (RRPTs) of a revenue trading nature.

Under the MMLR, such Shareholders' Mandate is subject to the disclosure in the Annual Report of RRPTs conducted pursuant to the mandate during the financial year ended 31 December 2012 where the aggregate value of such RRPTs is equal to or more than RM1 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher.

Set out below are all the RRPTs for which Shareholders' Mandate had been obtained together with a breakdown of the aggregate value of the RRPTs which had been conducted pursuant to the Shareholders Mandate. To facilitate reference, mandated RRPTs which had not been conducted in 2012 or where aggregate values had been below the prescribed thresholds have also been included.

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
1.	Maxis Mobile Services Sdn. Bhd. ("MMSSB")	Astro Radio Sdn. Bhd. (formerly known as Airtime Management and Programming Sdn. Bhd. ("ARSB"))	Provision of external content provider aggregator services to ARSB to provide premium SMS/WAP/ MMS/CRT/3G content to Maxis subscribers	**Major Shareholders** Usaha Tegas Sdn. Bhd. ("UTSB"), Pacific States Investment Limited ("PSIL"), Excorp Holdings N.V. ("Excorp"), PanOcean Management Limited ("PanOcean"), Ananda Krishnan Tatparanandam ("TAK"), Tun Dr. Haji Mohammed Hanif bin Omar ("THO"), Dato' Haji Badri bin Haji Masri ("Dato' Badri") and Mohamad Shahrin bin Merican ("MSM") **Director** Augustus Ralph Marshall ("ARM")	Please refer to Note 1	294	290	584
2.	MMSSB	ARSB	Provision of voice contents for voice portal services to MMSSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	NA	Nil
3.	MMSSB	Astro Digital 5 Sdn. Bhd. (formerly known as Digital Five Sdn. Bhd.) ("AD5SB")	Provision of services and content to MMSSB to promote services via SMS/WAP/MMS	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	NA	Nil

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
4.	Maxis Mobile Sdn. Bhd. ("MMSB")	MEASAT Broadcast Network Systems Sdn. Bhd. ("MBNS")	Rental payable on monthly basis to MMSB for usage of Maxis' contact centre located at Menara Sunway as MBNS' backup call centre	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	NA	Nil
5.	Maxis Broadband Sdn. Bhd. ("MBSB")	MBNS	Provision of 1300 Inbound telephony solutions by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	2,370	3,841	6,211
6.	MBSB	MBNS	Provision of managed communication services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	9,805	16,061	25,866
7.	MBSB	MBNS, AD5SB and Astro Holdings Sdn. Bhd. ("AHSB")'s affiliates	Provision of VSAT services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	8	Nil	8
8.	MBSB	MBNS and AHSB's affiliates	Provision of secured location and internet bandwidth by MBSB for MBNS' online business and solution needs	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	216	68	284
9.	MBSB	MBNS	Provision of external content provider aggregator services to MBNS to provide premium SMS/WAP/MMS/CRT/3G content to Maxis subscribers	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	249	249
10.	MMSSB	MBNS	Sponsorship of Golf Tournament organised by MMSSB.	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	Nil	Nil

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
11.	MBSB	MBNS, AD5SB, ARSB and AHSB's affiliates	Provision of leased circuits/DIA/Metro-E by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	1,412	2,448	3,860
12.	MMSSB	ASTRO Entertainment Sdn. Bhd. ("AESB")	Provision of services and content to MMSSB to provide premium SMS/ WAP/MMS content to Maxis subscribers	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	523	934	1,457
13.	MBSB	Kristal-Astro Sdn. Bhd. ("KASB")	Provision of VSAT services and IPLC solution by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	49	69	118
14.	MBSB	MBNS, AHSB and/ or its affiliates	Provision of bandwidth solutions by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	559	782	1,341
15.	MMSSB	MBNS	Provision of external content provider aggregator services to MBNS to enable direct transmission of premium content.	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	194	NA	194
16.	MBSB	MBNS, AHSB and/ or its affiliates	Provision of Maxis IP Contact Centre Services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	Nil	Nil
17.	MMSSB	MBNS	Provision of services and content to MMSSB to provide mobile TV content to Maxis subscribers	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	287	779	1,066

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
18.	MMSSB	AD5SB	Provision of services and content to MMSSB to provide premium SMS/ WAP/MMS content to Maxis subscribers	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	986	986
19.	MMSSB	AD5SB	Provision of services as MMSSB's (i) exclusive content aggregator, publishing and advertising agency services provider across Maxis' Internet properties (other than mobile properties and IPTV services); (ii) exclusive advertising agency services provider for IPTV services; and (iii) non-exclusive content aggregator, publishing and advertising agency services provider across Maxis' mobile properties	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	7,438	10,627	18,065
20.	MMSSB	AESB	Personality Endorsement Arrangement provided by AESB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	14	NA	14
21.	MBSB	MBNS	Provision of IPTV services by MBNS	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	Nil	Nil	Nil
22.	MBSB	All Asia Multimedia Networks FZ-LLC ("AAMN")	Purchase of content by MBSB for Tier 2 movie titles for multi-screen content distribution	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	Nil	Nil

Continued

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
23.	MBSB	Media Innovations Pty Ltd ("Media Innovations") and AD5SB	Provision of IPTV platform, customer premises equipment development services and IPTV related services including operational, consultancy and project (hardware and software) services	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	8,328	8,328
24.	MMSSB	AHSB & its affiliates	Promotional devices offer by MMSSB to AHSB and its affiliates	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	Nil	Nil
25.	MBSB	Fetch TV Content Pty Ltd ("Fetch TV")	Sub-License for the use of YouTube and/ or YouTube Leanback Application by Fetch TV	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	Nil	Nil
26.	MMSSB	Getit Infoservices Private Limited ("Getit Infoservices")	Provision of external content provider aggregator services to Getit Infoservices to provide premium local search, classifieds, deals and communities contents to Maxis subscribers.	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	Nil	Nil
27.	MMSSB	MBNS	Sponsorship of events organised/ aired including provision of mobile and online content and services	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	7,208	7,208
28.	MBSB	AD5SB	Provision of content by AD5SB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** ARM	Please refer to Note 1	NA	Nil	Nil
Aggregate Value of Transactions with AHSB Group						23,169	52,670	75,839
29.	MMSB	Tanjong City Centre Property Management Sdn. Bhd. ("TCCPM")	Rental of signage space at both sides of the facade of Menara Maxis by MMSB and Maxis' naming rights to the building payable on monthly basis	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari bin Mohd Fuad Stephens ("Asgari"), ARM and Chan Chee Beng ("CCB")	Please refer to Note 2	325	455	780

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
30.	MMSB	TCCPM	Rental and service charge payable on monthly basis by MMSB at Menara Maxis for:-	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2			
			(a) approximately 16,000 sq ft at Levels 24 and 25			610	823	1,433
			(b) approximately 190,000 sq ft at Levels 8 and 10 to 23			11,517	14,895	26,412
			(c) approximately 8,000 sq ft at Ground Floor			755	1,205	1,960
			(d) for additional office space for storage space at the basement and a data room			Nil	125	125
31.	MMSSB	TGV Cinema Sdn. Bhd. ("TGV")	Provision of e-money service by MMSSB that allows Maxis customers to make payment for TGV cinema tickets via mobile phones	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	Nil	Nil	Nil
32.	MMSSB	TGV	Provision of a mobile cinema ticketing service by MMSSB that allows Maxis customers to book TGV cinema tickets via smartphone applications and mobile internet	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	Nil	Nil	Nil
33.	MMSSB	TGV	Purchase of movie tickets by MMSSB – subsidised for high-value Maxis One Club customers	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	Nil	117	117

Continued

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
34.	MBSB	Tanjong and/or its affiliates	Provision of leased line services/DIA/Metro-E/ MPLS by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	36	22	58
35.	MMSSB and its affiliates	TGV	Marketing joint-promotion campaign between MMSSB and its affiliates and TGV	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	4	NA	4
36.	MMSSB	Tanjong and/or its affiliates	Promotional devices offer by MMSSB to Tanjong and its affiliates	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** Asgari, ARM and CCB	Please refer to Note 2	NA	Nil	Nil
Aggregate Value of Transaction with Tanjong Group						13,247	17,642	30,889
37.	MBSB	MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Rental of assets – Transponder lease rentals payable on quarterly basis by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	4,157	6,812	10,969
38.	MBSB	MSS	Rental of assets – Lease rentals of NSS Ku Band earth station facility payable on monthly basis by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	Nil	NA	Nil
39.	MBSB	MSS	Rental of premises – Rental payable on monthly basis by MBSB for BTS site	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	12	16	28

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
40.	MBSB	MSS	Rental of assets – Lease rentals of MSS' teleport facility payable on quarterly basis by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	417	591	1,008
41.	MBSB	MSS	Participation in IP Transit Project between MBSB and MSS where MBSB provides internet bandwidth pipe to MSS for MSS' customers	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	502	40	542
42.	MBSB	MSS	Provision of bandwidth solutions by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	301	494	795
43.	MBSB	MSS	Provision of leased line services/DIA/Metro-E or any related IP solutions by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	Nil	15	15
44.	MBSB	MEASAT Global Berhad ("MGB") and/or its affiliates	Provision of leased circuits by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	Nil	Nil	Nil
45.	MBSB	MEASAT Networks Limited ("MNL") and/or MGB's affiliates	Rental of assets – Transponder (IPstar) lease rentals payable on quarterly basis by MBSB	**Major Shareholders** TAK and THO **Directors** ARM and CCB	Please refer to Note 3	4,636	6,832	11,468
Aggregate Value of Transactions with MEASAT Global Group/MGB Group						10,025	14,800	24,825
46.	MMSB and/or its affiliates	UT Hospitality Services Sdn. Bhd. ("UTHSB")	Provision of food and beverage services at Level 24 to MMSB and/or its affiliates and rental of space at Level 24 and auditorium at Level 25, Menara Maxis for internal and external briefings and promotions by MMSB and/or its affiliates	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	49	46	95

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
47.	MBSB	UTSB, UTSB Management Sdn. Bhd. ("UTSBM"), UT Projects Sdn. Bhd. ("UTP"), UT Energy Services Sdn. Bhd. ("UTESSB") and/or its affiliates	Provision of business voice services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	198	181	379
48.	MMSB and/or its affiliates	UTHSB	Provision of facilities and amenities at Levels 24 and 25, Menara Maxis to MMSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	Nil	Nil	Nil
49.	MBSB	UTSB and/or its affiliates	Provision of equipment and business voice value added services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	Nil	Nil	Nil
50.	MMSB	UTSBM and/or its affiliates	Engagement of UTSBM and/or its affiliates to provide corporate management services	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	11,042	15,458	26,500
51.	MBSB	UTSBM	Provision of leased circuits/DIA and Metro-E by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	138	199	337
52.	MMSSB	SRG Asia Pacific Sdn. Bhd. ("SRGAP")	Purchase of services – the provision of call handling and other tele-marketing services to MMSSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	9,503	14,229	23,732
53.	MBSB	SRGAP	Provision of leased line services/DIA and Metro-E by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	274	279	553

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
54.	Maxis and/or its affiliates	SRGAP	Provision of mobility services - SMS/ Enterprise SMS by Maxis and/or its affiliates	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	Nil	Nil	Nil
55.	MBSB	SRGAP	Provision of 1300 toll free and call centre project by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	21	43	64
56.	MBSB	SRGAP	Provision of Maxis IP Contact Centre Services by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	620	868	1,488
57.	Maxis and/or its affiliates	Bumi Armada Berhad ("BAB")	Provision by Maxis and/or its affiliates of: - VSAT services. - Internet and email infrastructure - 8Mbps Metro-E	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Director** CCB	Please refer to Note 5	 Nil Nil Nil	 Nil Nil Nil	 Nil Nil Nil
58.	MBSB	BAB and/or its affiliates	Provision of leased line services/DIA/Metro-E by MBSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Director** CCB	Please refer to Note 5	64	56	120
59.	Maxis International Sdn. Bhd. ("MISB")	Mobitel (Private) Limited ("Mobitel")	• Interconnect revenue to MISB • Interconnect expenses paid by MISB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Directors** CCB and SD	Please refer to Note 6	39 457	18 2,780	57 3,237
60.	MMSSB	Mobitel	• Roaming partner revenue to MMSSB • Roaming partner expenses paid by MMSSB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Directors** CCB and SD	Please refer to Note 6	14 27	25 63	39 90

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
61.	MISB	Sri Lanka Telecom PLC ("SLT")	• Interconnect revenue to MISB • Interconnect expenses paid by MISB	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean and TAK **Directors** CCB and SD	Please refer to Note 6	210 170	574 839	784 1,009
62.	MMSB, MMSSB, MBSB and/or MISB	SRGAP	Supply of third party contract staff by SRGAP	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	NA	Nil	Nil
63.	MMSSB	UTSB & its affiliates	Promotional devices offer by MMSSB to UTSB and its affiliates	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK and MSM **Directors** ARM and CCB	Please refer to Note 4	NA	Nil	Nil
Aggregate Value of Transactions with UTSB Group and its affiliates/UT Group						22,826	35,658	58,484
64.	MMSB	UMTS (Malaysia) Sdn. Bhd. ("UMTS")	Provision of corporate support services by MMSB. These include services such as support functions for accounting, regulatory, taxation, company secretarial and human resources matters, rental of office space, stationery & printing costs, repair & maintenance of office furniture & fittings, cleaning services for office buildings and rental of IT equipment	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** Dr. Fahad Hussain S. Mushayt ("Dr. Fahad"), ARM, CCB, SD and Nasution bin Mohamed ("NM")	Please refer to Note 7	746	798	1,544
65.	MBSB	UMTS	Provision by MBSB as the mobile network operator to design, procure, build and operate a 3G network as per the service level agreement between MBSB and UMTS	**Major Shareholders** UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM **Director** Dr. Fahad, ARM, CCB, SD and NM	Please refer to Note 7	13,999	16,428	30,427
Aggregate Value of Transactions with UMTS, a 75% subsidiary of Maxis						14,745	17,226	31,971

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
66.	MMSB	Maxis Communications Berhad ("MCB")	Provision of corporate services by MMSB including support functions for accounting, regulatory, taxation, company secretarial and human resource matters, rental of office space, stationery & printing costs, repair & maintenance of office furniture & fittings, cleaning services for office buildings and rental of IT equipment	**Major Shareholders** MCB, Binariang GSM Sdn. Bhd. ("BGSM"), Usaha Tegas Equity Sdn. Bhd. ("UTES"), UTSB, PSIL, Excorp, PanOcean, TAK, Harapan Nusantara Sdn. Bhd. ("HNSB"), THO, Dato' Badri, MSM, STC Malaysia Holding Ltd ("STCM"), STC Asia Telecom Holding Ltd ("STCAT"), STC and Public Investment Fund ("PIF") **Directors** Ghassan Hasbani ("GH"), Dr. Zeyad Thamer H. AlEtaibi ("Dr. Zeyad"), Dr. Ibrahim Abdulrahman H Kadi ("Dr. Ibrahim"), Krishman Ravi Kumar ("RK"), Dr. Fahad, ARM, CCB and SD	Please refer to Note 8	1,250	1,750	3,000
67.	MISB	Dishnet Wireless Limited ("DWL") and/or Aircel Limited ("Aircel") Group	• Interconnect revenue to MISB • Interconnect expenses paid by MISB	**Major Shareholders** MCB, BGSM, UTES, UTSB, PSIL, Excorp, PanOcean, TAK, HNSB, THO, Dato' Badri, MSM, STCM, STCAT, STC, PIF **Directors** CCB and SD	Please refer to Note 9	1,778 2,027	4,501 1,192	6,279 3,219
68.	MMSSB	DWL	• Roaming partner revenue to MMSSB • Roaming partner expenses paid by MMSSB	**Major Shareholders** MCB, BGSM, UTES, UTSB, PSIL, Excorp, PanOcean, TAK, HNSB, THO, Dato' Badri, MSM, STCM, STCAT, STC, PIF **Directors** CCB and SD	Please refer to Note 9	31 14	Nil 15	31 29
69.	MMSSB	Aircel and/or its affiliates	• Roaming partner revenue to MMSSB • Roaming partner expenses paid by MMSSB	**Major Shareholders** MCB, BGSM, UTES, UTSB, PSIL, Excorp, PanOcean, TAK, HNSB, THO, Dato' Badri, MSM, STCM, STCAT, STC, PIF **Directors** CCB and SD	Please refer to Note 9	133 90	Nil 86	133 176

Continued

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
70.	MMSSB	Bridge Mobile Pte Ltd ("Bridge Mobile")	• Regional bid coordination services to MMSSB whereby Bridge Mobile acts as a single point of contact and coordinator to provide competitive bid/ business offerings to corporations within the region that requires telecommunications services	**Major Shareholders** MCB, BGSM, UTES, UTSB, PSIL, Excorp, PanOcean, TAK, HNSB, THO, Dato' Badri, MSM, STCM, STCAT, STC, PIF **Directors** SD	Please refer to Note 10	Nil	Nil	Nil
			• Preferred roaming services to MMSSB			268	551	819
71.	MMSSB	Bridge Mobile	• Traffic steering services to MMSSB	**Major Shareholders** MCB, BGSM, UTES, UTSB, PSIL, Excorp, PanOcean, TAK, HNSB, THO, Dato' Badri, MSM, STCM, STCAT, STC, PIF **Directors** SD	Please refer to Note 10	110	252	362
			• Membership fee			Nil	476	476
Aggregate Value of Transactions with MCB Group and its affiliates						5,701	8,823	14,524
72.	MMSSB	Saudi Telecom Company ("STC")	• Roaming Partner income to MMSSB	**Major Shareholder** STC	Please refer to Note 11	1,585	3,648	5,233
			• Roaming Partner expenses paid by MMSSB	**Directors** GH#, Dr. Zeyad#, Dr. Fahad and RK		505	910	1,415
73.	MISB	STC and/or its affiliates	• Interconnect revenue to MISB	**Major Shareholder** STC	Please refer to Note 11	1,171	4,731	5,902
			• Interconnect expenses paid by MISB	**Directors** GH#, Dr. Zeyad#, Dr. Fahad and RK		2,362	897	3,259
74.	MMSSB	Cell C (Pty) Ltd ("Cell C")	• Roaming partner income to MMSSB	**Major Shareholder** STC	Please refer to Note 12	20	Nil	20
			• Roaming partner expenses paid by MMSSB	**Director** RK, Dr. Fahad and Dr. Ibrahim		44	Nil	44

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
75.	MMSSB	Kuwait Telecom Company ("KTC")	• Roaming partner income to MMSSB	**Major Shareholder** STC	STC is a Major Shareholder by virtue of its deemed equity interest of 25% in Binariang GSM Sdn. Bhd. which in turn wholly-owns MCB, holds 26% interest in KTC.	5	28	33
			• Roaming partner expenses paid by MMSSB	**Directors** GH# and Dr. Zeyad#		10	26	36
76.	MMSSB	AVEA iletişim Hizmetleri A. . ("AVEA")	• Roaming partner income to MMSSB	**Major Shareholder** STC	Please refer to Note 13	18	38	56
			• Roaming partner expenses paid by MMSSB	**Directors** GH#, Dr. Fahad, RK and Dr. Ibrahim		132	277	409
77.	MMSSB, MMSB and/or its affiliates	SEBIT Egitim ve Bilgi Teknolojileri Anonim Sirketi ("SEBIT")	• Licence fee payable to SEBIT for provision of online education service to MMSSB	**Major Shareholder** STC **Directors** GH#, RK, Dr. Fahad and Dr. Ibrahim	Please refer to Note 18	Nil	Nil	Nil
			• Revenue share entitlement payable to SEBIT			Nil	Nil	Nil
			• Provision of database support by SEBIT			Nil	Nil	Nil
78.	MMSSB	Viva Bahrain BSC (C) ("Viva")	• Roaming partner income to MMSSB	**Major Shareholder** STC	Please refer to Note 19	NA	28	28
			• Roaming partner expenses paid by MMSSB	**Directors** GH#, Dr. Zeyad# and RK		NA	37	37
Aggregate Value of Transactions with STC Group						5,852	10,620	16,472
79.	MMSSB	PT AXIS Telekom Indonesia [formerly known as PT Natrindo Telepon Selluler "(AXIS")]	• Roaming partner income to MMSSB	**Major Shareholders** All Substantial Shareholders (except EPF and ARB) as set out on page 226 to 227 of this Annual Report	Please refer to Note 14	70	140	210
			• Roaming partner expenses paid by MMSSB	**Directors** GH#, Dr. Zeyad#, Dr. Fahad, RK and CCB		616	1,055	1,671
Aggregate Value of Transaction with NTS, a company of which STC and MCB, both of them Major Shareholders, have 51% and 44% equity interests respectively						686	1,195	1,881
80.	MBSB	Malaysian Jet Services Sdn. Bhd. ("MJS")	Provision of business voice services by MBSB	**Major Shareholder** TAK	Please refer to Note 15	3	5	8

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
Aggregate Value of Transactions with a company directly or indirectly controlled by or associated with TAK in which he is deemed to have an interest, is deemed a Major Shareholder						3	5	8
81.	MBSB	Communications and Satellite Services Sdn. Bhd. ("CSS")	Provision of leased circuits/DIA and Metro-E by MBSB	**Major Shareholder** TAK and MSM	Please refer to Note 16	Nil	Nil	Nil
82.	MBSB	Malaysian Landed Property Sdn. Bhd. ("MLP")	BTS rental and electricity charges payable on monthly basis by MBSB	**Major Shareholder** TAK, PanOcean and MSM	Please refer to Note 17	13	19	32
Aggregate Value of Transactions with a company related to certain Major Shareholders						13	19	32
83.	MBSB	Strateq Data Centre Sdn. Bhd.. [formerly known as Kompakar CRC Sdn. Bhd. ("KCRC")]	BTS rental and electricity charges payable on quarterly basis by MBSB	**Director** Dato' Mokhzani bin Mahathir ("Dato' Mokhzani")	Dato' Mokhzani, a Director, is also a major shareholder of KCRC by having a deemed equity interest of 36.66% in KCRC. He is also a shareholder of Maxis by virtue of his direct equity interest over 750,000 Shares representing 0.01% of the share capital in Maxis held personally.	15	21	36
84.	MBSB	Flobright Advertising Sdn. Bhd. ("FASB")	BTS rental and electricity charges payable on monthly basis by MBSB	**Director** Asgari	Asgari, a Director, is also a director of FASB. He is also a shareholder of Maxis by virtue of his direct equity interest over 375,000 Shares representing 0.005% of the share capital in Maxis held through a nominee and a major shareholder of FASB by virtue of his deemed equity interest of 50.0% in FASB.	Nil	NA	Nil

No	Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Interested Related Parties	Nature of relationship	Value incurred from 1 January 2012 to 30 May 2012 (RM'000)	Value incurred from 31 May 2012 to 31 December 2012 (RM'000)	Aggregate value of transactions during the financial year (RM'000)
85.	Maxis and/or its affiliates	Agensi Pekerjaan Talent2 International Sdn. Bhd. ("Talent2")	Provision of headhunting, executive search and talent mapping services to Maxis and/or its affiliates	Director Asgari	Asgari, a Director, is also a director of Talent2. He is also a shareholder of Maxis by virtue of his direct equity interest over 375,000 Shares representing 0.005% of the share capital in Maxis held through a nominee and a major shareholder of Talent2 by virtue of his deemed equity interest of 30.0% in Talent2.	Nil	NA	Nil
86.	Maxis and/or its affiliates	Talent2	Provision of assessment centres for General Managers/Senior General Managers by Talent2	Director Asgari	Asgari, a Director, is also a director of Talent2. He is also a shareholder of Maxis by virtue of his direct equity interest over 375,000 Shares representing 0.005% of the share capital in Maxis held through a nominee and a major shareholder of Talent2 by virtue of his deemed equity interest of 30.0% in Talent2.	Nil	NA	Nil
Aggregate Value of Transactions with companies related to certain Directors						15	21	36

Information as at 31 December 2012

Notes:

\# *Ghassan Hasbani and Dr. Zeyad Thamer H. AlEtaibi resigned as Directors of Maxis on 20 October 2012 and 15 September 2012 respectively. For the purposes of explaining the nature of relationships in respect of the relevant transactions with STC Group, both would be directors within the preceding six months of the date on which the terms of the transactions may be agreed upon.*

(1) ***AHSB Group***

AD5SB, MBNS, ARSB and AESB are wholly-owned subsidiaries of ASTRO Malaysia Holdings Berhad ("AMH") whilst KASB is a 48.9% associated company of AMH. AMH is a subsidiary of ASTRO Networks (Malaysia) Sdn. Bhd. ("ANM") which in turn is wholly-owned by AHSB. Media Innovations and Fetch TV are wholly-owned by Media Innovations Pte Ltd ("MIPL") which in turn is 44.95% held by All Asia Digital Networks Pte Ltd ("AADN"). AADN is an indirect wholly-owned subsidiary of AHSB. AAMN is a wholly-owned subsidiary of ASTRO Overseas Limited (AOL) which in turn is wholly-owned by Astro All Asia Networks Limited (formerly known as ASTRO ALL ASIA NETWORKS plc) ("AAAN"), a wholly-owned subsidiary of AHSB whilst Getit Infoservices is a 50.1%-owned subsidiary of AOL.

UTSB, PSIL, Excorp and PanOcean who are Major Shareholders with each having a deemed equity interest over 4,875,000,000 Shares representing 64.99% of the issued and paid-up share capital in Maxis in which Binariang GSM Sdn. Bhd. ("BGSM") has an interest, by virtue of their deemed equity interests in BGSM which in turn wholly-owns MCB, are also major shareholders of AHSB with each having a deemed equity interest over 479,619,973 ordinary shares of RM0.10 each in AHSB ("AHSB Shares") representing 34.01% of the issued and paid-up share capital in AHSB.

Excorp is 100% owned by PanOcean and it has a 100% direct controlling interest in PSIL, which in turn has a 99.999% direct controlling interest in UTSB. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations, including those for charitable purposes.

TAK who is a Major Shareholder with a deemed equity interest over 4,875,000,000 Shares representing 64.99% of the issued and paid-up share capital in Maxis, is also a major shareholder of AHSB with a deemed equity interest over 819,082,908 AHSB Shares representing 58.08% of the issued and paid-up share capital in AHSB. In addition, TAK is also a director of PanOcean, Excorp, PSIL and UTSB. Although TAK and PanOcean are deemed to have interests in the Shares in which PSIL has an interest, they do not have any economic or beneficial interest over these Shares as such interest is held subject to the terms of the discretionary trust.

ARM who is a Director, is also a director of PanOcean, Excorp, PSIL and an executive director of UTSB. He does not have any equity interest in UTSB, in PanOcean, in Excorp or in PSIL. In addition, ARM is also a director and group chief executive officer of AHSB, a director and non-executive deputy chairman of AMH as well as a director of AOL, AAAN, ANM, MBNS, ARSB, AESB, AAMN, Media Innovations, Fetch TV, MIPL, Getit Infoservices and other companies within the AHSB Group. ARM has a direct equity interest over 750,000 Shares representing 0.01% of the issued and paid-up share capital in Maxis. ARM does not have any equity interests in MMSSB, MBSB, MMSB nor in the AHSB Group.

THO, Dato' Badri and MSM are Major Shareholders with each having a deemed equity interest over 4,875,000,000 Shares representing 64.99% of the issued and paid-up share capital in Maxis in which BGSM has an interest, by virtue of their respective 25% direct equity interest in Harapan Nusantara Sdn. Bhd. ("HNSB").HNSB's deemed interest in the voting shares in Maxis in which BGSM has an interest, arises by virtue of HNSB being entitled to control the exercise of 100% of the votes attached to the voting shares in each of Mujur Anggun Sdn. Bhd., Cabaran Mujur Sdn. Bhd., Anak Samudra Sdn. Bhd., Dumai Maju Sdn. Bhd., Nusantara Makmur Sdn. Bhd., Usaha Kenanga Sdn. Bhd. and Tegas Sari Sdn. Bhd. (collectively, "HNSB Subsidiaries").

The HNSB Subsidiaries hold in aggregate 30% direct equity interest in BGSM and therefore, via such aggregate interest, HNSB has a deemed interest over all the Shares held by MCB in Maxis. The Maxis Shares held via the HNSB Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, they do not have any economic interest in those Shares held by the HNSB Subsidiaries as such interest is held subject to the terms of such discretionary trusts. Further, as THO, Dato' Badri and MSM exercise or control the exercise of at least 15% of the votes attached to the voting shares in Maxis, they are deemed to have an interest in the shares of Maxis' subsidiaries.

THO, Dato' Badri and MSM are major shareholders of AHSB with each having a deemed equity interest over 177,446,535 AHSB Shares representing 12.58% of the issued and paid-up ordinary share capital in AHSB in which Harapan Terus Sdn. Bhd. ("HTSB") has an interest, by virtue of their respective 25% direct equity interest in HTSB. HTSB is deemed to have an interest in the voting shares in AHSB in which Berkat Nusantara Sdn. Bhd., Nusantara Cempaka Sdn. Bhd., Nusantara Delima Sdn. Bhd., Mujur Nusantara Sdn. Bhd., Gerak Nusantara Sdn. Bhd. and Sanjung Nusantara Sdn. Bhd. (collectively, "HTSB Subsidiaries") have an interest, by virtue of HTSB being entitled to exercise 100% of the votes attached to the voting shares in the immediate holding companies in each of HTSB Subsidiaries viz Nusantara Barat Sdn. Bhd., Nusantara Kembang Sdn. Bhd., Prisma Mutiara Sdn. Bhd., Nada Nusantara Sdn. Bhd., Cermat Delima Sdn. Bhd. and Cermat Deras Sdn. Bhd. respectively.

The HTSB Subsidiaries hold in aggregate 12.58% direct equity interest in AHSB and therefore, via such aggregate interest, HTSB has a deemed interest over all the shares held by the HTSB Subsidiaries in AHSB. The AHSB Shares held via the HTSB Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, they do not have any economic interest in those shares held by the HTSB Subsidiaries as such interest is held subject to the terms of such discretionary trusts. Further, as THO, Dato' Badri and MSM do not exercise or control the exercise of at least 15% of the votes attached to the voting shares in AHSB, they are not deemed to have an interest in the shares of ANM, AMH, AD5SB, MBNS, ARSB, AESB, KASB, Media Innovations, AAMN, Fetch TV and Getit Infoservices.

Dato' Badri who is a director of AHSB, ANM and AOL, is also a director of MBNS, KASB and several other subsidiaries of AHSB.

MSM has a direct equity interest over 11,000 Shares representing 0.0001% of the issued and paid-up share capital in Maxis. Please refer to Note 4 for MSM's interests in the UT Group.

Dato' Mohamed Khadar bin Merican ("Dato' Khadar"), a director of AMH and AOL is a person connected to MSM.

(2) ***Tanjong Group***

TCCPM and TGV are wholly-owned subsidiaries of Tanjong. Tanjong in turn is a wholly-owned subsidiary of Tanjong Capital Sdn. Bhd. ("TCSB").

UTSB holds 71,000,000 ordinary shares of RM1.00 each in TCSB ("TCSB Shares") representing 37.49% of the issued and paid-up share capital in TCSB and has an indirect equity interest over 53,688,000 TCSB Shares representing 28.35% of the issued and paid-up share capital in TCSB held via its wholly-owned subsidiary, Usaha Tegas Resources Sdn. Bhd. ("UTRSB"). PSIL, Excorp and PanOcean each has a deemed equity interest over 124,688,000 TCSB Shares representing 65.84% of the issued and paid-up share capital in TCSB through UTSB.

TAK has a deemed equity interest over 124,863,000 TCSB Shares representing 65.93% of the issued and paid-up share capital in TCSB through UTSB and Wangi Terang Sdn. Bhd. ("WTSB"). WTSB holds 175,000 TCSB Shares representing 0.09% of the issued and paid-up share capital of TCSB.

Although TAK and PanOcean have deemed interest in the 124,688,000 TCSB Shares held through UTSB, they do not have any economic or beneficial interest over such shares, as such interest is held subject to the terms of a discretionary trust.

TCCPM and TGV are persons connected to UTRSB, UTSB, PSIL, Excorp, PanOcean and TAK by virtue of their interest in TCSB as set out above. Please refer to Note 1 above for interests of UTSB, PSIL, Excorp, PanOcean and TAK in Maxis.

CCB who is a Director, is also an executive director of UTSB and a director of TCSB, MMSSB, MBSB, MMSB and certain subsidiaries of Maxis and Tanjong. ARM who is a Directors, is an executive director of Tanjong. ARM and CCB do not have any equity interest in UTSB, UTRSB, TCSB, Tanjong, TCCPM and TGV. Please refer to Note 1 above for ARM's interests in Maxis. CCB has a direct equity interest over 750,000 Shares representing 0.01% of the share capital in Maxis.

Asgari who is a Director with a direct equity interest over 375,000 Shares representing 0.005% of the issued and paid-up share capital in Maxis, has a deemed equity interest over 6,406,000 TCSB Shares representing 3.38% of the issued and paid-up share capital of TCSB.

MSM also has a deemed equity interest over 8,596,000 TCSB Shares representing 4.54% of the issued and paid-up share capital of TCSB. Please refer to Note 1 above for MSM's interests in Maxis.

(3) **MGB Group**

TAK is also a major shareholder of MGB with a deemed equity interest over 389,933,155 ordinary shares of RM0.78 each representing 100% of the issued and paid-up ordinary share capital of MGB held via MEASAT Global Network Systems Sdn. Bhd. ("MGNS"), a wholly-owned subsidiary of MAI Holdings Sdn. Bhd. in which he has a 99.999% direct equity interest. MSS and MNL are wholly-owned subsidiaries of MGB. Hence, TAK also has deemed equity interest over MSS and MNL. Please refer to Note 1 above for TAK's interests in Maxis.

THO is also a director of MSS. Please refer to Note 1 above for details of THO's interests in Maxis. THO does not have any equity interest in the shares of MGB, MSS or MNL.

ARM and CCB who are Directors are also Directors of MGB whilst CCB is also a director of MSS. RM was a director of MNL up to 20 November 2012. ARM and CCB do not have any equity interest in the shares of MGB, MSS or MNL. Please refer to Notes 1 and 2 above for ARM's and CCB's interests in Maxis respectively.

(4) **UTSB Group**

UTHSB is a wholly-owned subsidiary of UTSBM. UTSBM, UTP, UTESSB and SRGAP are wholly-owned subsidiaries of UTSB.

Major Shareholders, UTSB, PSIL, Excorp, PanOcean and TAK are also major shareholders of UTSBM, UTHSB, UTP, UTESSB and SRGAP (collectively, "UT Group"). Please refer to Note 1 above for their respective interests in Maxis.

ARM and CCB who are Directors are also executive directors of UTSB. ARM and CCB are also a directors of UTSBM. ARM and CCB do not have any equity interest in the shares of UTSB or UT Group. Please refer to Notes 1 and 2 above for ARM's and CCB's interests in Maxis respectively.

MSM is also a director of certain subsidiaries of UTSB and an employee of the UT Group. MSM does not have any equity interest in the shares of the UT Group. Please refer to Note 1 above for MSM's interests in Maxis.

(5) **BAB**

BAB is a 42.35%-ownedassociated company of UTSB.

Major Shareholders, UTSB, PSIL, Excorp, PanOcean and TAK are also major shareholders of BAB and its subsidiaries with each having a deemed equity interest of 42.35% in BAB. Please refer to Note 1 above for their respective interests in Maxis.

CCB is also a director of BAB and a subsidiary of BAB. CCB has a direct equity interest over 750,000 ordinary shares of RM0.20 each representing 0.03% of the share capital in BAB . Please refer to Notes 2 and 4 for CCB's interests in Maxis and UTSB.

(6) **SLT and Mobitel**

Mobitel is a wholly-owned subsidiary of SLT. UTSB has a 44.98% deemed equity interest in SLT and a 100% deemed equity interest in Mobitel.

Major Shareholders, UTSB, PSIL, Excorp, PanOcean and TAK each has a deemed equity interest of 44.98% in SLT and a 100% deemed equity interest in Mobitel. Please refer to Note 1 above for their respective interests in Maxis.

CCB and SD who are Directors, are also directors of MMSSB, MISB and certain subsidiaries of Maxis, as well as of SLT and Mobitel but do not have any equity interests in the shares of SLT or Mobitel. SD has a direct equity interest over 750,000 Shares representing 0.01% of the issued and paid-up share capital in Maxis. Please refer to Notes 2 and 4 for CCB's interests in Maxis and UTSB.

(7) **UMTS**

UMTS is a wholly-owned subsidiary of Advanced Wireless Technologies Sdn. Bhd. ("AWT") which in turn is a 75% subsidiary of Maxis. The remaining 25% equity interest in AWT is held by MBNS Multimedia Technologies Sdn. Bhd. ("MMT"), which in turn is wholly-owned by AMH.

Major Shareholders, UTSB, PSIL, Excorp, PanOcean and TAK each has a deemed equity interest of 100% in UMTS whilst THO, Dato' Badri and MSM each have a deemed equity interest of 75% in UMTS. Please refer to Note 1 above for their respective interests in Maxis and AHSB.

Dr. Fahad, CCB and SD who are Directors are also directors of MBSB, MMSB and several other subsidiaries of Maxis. Dr. Fahad and SD are also directors of AWT and UMTS. Dr. Fahad does not have any equity interest in the shares in Maxis. Please refer to Notes 1 and 4 for ARM's interests in Maxis, AHSB and UTSB, Notes 2 and 4 for CCB's interests in Maxis and UTSB and Note 6 for SD's interest in Maxis.

NM who is a director of AWT and UMTS, is also a director of MBSB, MMSB and several subsidiaries of Maxis. NM does not have any equity interest in the shares in Maxis, MBSB, MMSB, AWT or in UMTS.

(8) **MCB**

MCB is the holding company of our Company.

All Substantial Shareholders as set out in pages 226 to 227 of this Annual Report (except for Employee Provident Fund Board (EPF) and AmanahRaya Berhad (ARB)) are also major shareholders of MCB. Please refer to the notes 1 to 12 as set out in pages 226 to 227 of this Annual Report for the interests of the interested Major Shareholders.

Directors, Dr. Fahad, Dr. Ibrahim, RK, ARM, CCB and SD are also directors of MCB. Dr. Fahad, Dr. Ibrahim and RK do not have any equity interests in the shares of Maxis. Dr. Fahad, Dr. Ibrahim, RK, ARM, CCB and SD do not have any equity interest in the shares of MCB. Please refer to Notes 1, 2, 4 and 6 above for interests in Maxis of ARM, CCB and SD respectively.

(9) **Aircel Group**

Major shareholders, MCB holds 74% effective equity interest in Aircel Limited and DWL.

All Substantial Shareholders as set out in pages 226 to 227 of this Annual Report (except for EPF and ARB) are also major shareholders of Aircel Group. Please refer to the notes 1 to 12 as set out in pages 226 to 227 of this Annual Report for the interests of the interested Major Shareholders.

Directors, Dr. Fahad, Dr. Ibrahim, RK, ARM, CCB and SD are also directors of MCB. SD is also a director of Aircel and DWL whilst CCB was a director of Arcel and DWL up tp 15 February 2013. Dr. Fahad, Dr. Ibrahim, RK, ARM, CCB and SD do not have any equity interest in the shares of MCB, Aircel or DWL. Please refer to Notes 1, 2 and 6 above for interests in Maxis of ARM, CCB and SD respectively and Note 8 above for interests in Maxis of Dr. Fahad, Dr. Ibrahim and RK respectively.

(10) ***Bridge Mobile***

Major shareholder, MCB holds a 10% equity interest in Bridge Mobile.

All Substantial Shareholders as set out in pages 226 to 227 of this Annual Report (except for EPF and ARB) are also major shareholders of Bridge Mobile. Please refer to the notes 1 to 12 as set out in pages 226 to 227 of this Annual Report for the interests of the interested Major Shareholders.

SD is also a director of Bridge Mobile and he does not have any equity interest in the shares of Bridge Mobile. Please refer to Notes 6 and 8 above for SD's interests in Maxis and MCB respectively.

(11) ***STC***

STC is a Major Shareholder by virtue of its deemed equity interest of 25% in BGSM which in turn wholly-owns MCB.

Directors, Dr. Fahad and RK are employees of STC. Dr. Fahad is also a director of MMSSB, MISB and several other subsidiaries of Maxis and the vice president-corporate strategy of STC. Please refer to Note 8 above for interests in Maxis of RK and Dr. Fahad respectively

(12) ***Cell C***

STC is a Major Shareholder by virtue of its deemed equity interest of 25% in BGSM which in turn wholly-owns MCB.

STC through STC Turkey Holding Ltd ("STC Turkey") holds 35% interest in Oger Telecom Limited ("Oger"). Oger holds 75% interest in 3C Telecommunications (Proprietary) Limited ("3C"), which in turn holds 100% interest in Cell C.

RK and Dr. Ibrahim are directors of Oger while Dr. Fahad is a director of STC Turkey. RK, Dr. Ibrahim and Dr. Fahad do not have any equity interest in the shares of STC Turkey, Oger, 3C or in Cell C. Please refer to Notes 8 and 11 above for the interests in Maxis and STC of RK, Dr. Ibrahim and Dr. Fahad respectively.

(13) ***AVEA***

STC is a Major Shareholder by virtue of its deemed equity interest of 25% in BGSM which in turn wholly-owns MCB.

STC through STC Turkey holds 35% interest in Oger, which in turn holds 99% interest in Oger Telekomunikasyon A.S. ("OTAS"). OTAS holds 55% interest in Turk Telekomunikasyon A.S. ("Turk Telekom"), which in turn holds 90% interest in AVEA.

RK and Dr. Ibrahim are directors of Oger while Dr. Fahad is a director of STC Turkey. RK, Dr. Ibrahim and Dr. Fahad do not have any equity interest in the shares of STC Turkey, OTAS, Turk Telekom or in AVEA. Please refer to Notes 8 and 11 above for the interests in Maxis and STC of RK, Dr. Ibrahim and Dr. Fahad respectively.

(14) ***AXIS***

Substantial Shareholder, STC has a 80.1% equity interest in AXIS while MCB has a 14.9% equity interest in AXIS.

All Substantial Shareholders as set out in pages 226 to 227 of this Annual Report (except for EPF and ARB) are also major shareholders of AXIS. Please refer to the notes [1] to [12] as set out in pages 226 to 227 of this Annual Report for the interests of the interested Major Shareholders.

Dr. Fahad, RK and CCB are also Commissioners of AXIS. Dr. Fahad and CCB are also directors of MMSSB and MISB. RK, Dr. Fahad and CCB do not have any equity interest in MMSSB, MISB or AXIS. Please refer to Notes 2 and 8 above for interests in Maxis of CCB, RK and Dr. Fahad, respectively and Note 11 above for interests in STC of Dr. Fahad and RK.

(15) ***MJS***

Maya Krishnan Tatparanandam ("TMK"), a major shareholder of Merbau Cekal Sdn. Bhd., the ultimate holding company of MJS, is a person connected to TAK. TMK is not a director of MJS. Please refer to Note 1 above for details of TAK's interests in Maxis.

(16) ***CSS***

Major Shareholder, TAK is also a major shareholder of CSS with a deemed equity interest of 100% in CSS. MSM is also a director of CSS. Please refer to Note 1 above for their respective interests in Maxis.

(17) ***MLP***

Major Shareholders, TAK and PanOcean are also major shareholders of MLP with each having a deemed equity interest of 100% in MLP. Please refer to Note 1 above for their respective interests in Maxis.

MSM is a director of MLP and does not have any equity interest in the shares of MLP. Please refer to Note 1 above for MSM's interests in Maxis.

(18) ***SEBIT***

STC is a Major Shareholder by virtue of its deemed equity interest of 25% in BGSM which in turn wholly-owns MCB.

STC through STC Turkey holds 35% shares in Oger, which in turn holds 99% interest in OTAS. OTAS holds 55% shares in Turk Telekom, which in turn owns 100% of SEBIT.

RK and Dr. Ibrahim are directors of Oger while Dr. Fahad is a director of STC Turkey. RK, Dr. Ibrahim and Dr. Fahad do not have any equity interest in the shares of STC Turkey, OTAS, Turk Telekom or in SEBIT. Please refer to Notes 8 and 11 above for the interests in Maxis and STC of RK, Dr. Ibrahim and Dr. Fahad respectively.

(19) ***Viva***

Major Shareholder, STC owns 99% shares of Viva and the remaining 1% shares of Viva is owned by STC Gulf Investment Holding 1 SPC. STC Gulf Investment Holding 1 SPC is wholly-owned by STC Gulf Investment Holding SPC, which in turn is wholly-owned by STC.

RK is a director of Viva. RK does not have any equity interest in the shares of Viva, STC Gulf Investment Holding 1 SPC or in STC Gulf Investment Holding SPC. Please refer to Notes 8 and 11 above for RK's interests in Maxis and STC.

TRANSACTIONS THROUGH MEDIA AGENCIES

Some of the media airtimes, publications and programme sponsorship arrangements ("Media Arrangements") of the Maxis group are concluded on normal commercial terms with independent media-buying agencies whose role is to secure advertising or promotional packages for their clients. These Media Arrangements may involve companies in the Astro group which are licensed to operate satellite Direct-to-Home television and FM radio services, and undertake a number of other multimedia services in Malaysia. The transactions between the media-buying agencies and the Astro group are based on terms consistent with prevailing rates within the media industry. For the financial year ended 2012 the value of such transactions, which are not related party transactions entered into by the Maxis Group and the Astro group and excluded from the related party transactions disclosed elsewhere in this Annual Report, amounted to RM15,589,000.

STATUS OF UTILISATION OF CORPORATE PROPOSALS

On 24 February 2012, the Company made its first issuance under the Sukuk Programme of RM2.45 billion nominal value with a tenure of 10 years from the date of issue ("First Issuance"). From the proceeds from the First Issuance, RM1.45 billion was used for refinancing of the outstanding loans which were fully repaid on the same date, and RM1.00 billion was used for capital expenditure and working capital.

IMPOSITION OF SANCTIONS/PENALTIES

Malaysian Communications and Multimedia Commission (SKMM) has issued the following compounds on the respective subsidiaries of the Company:-

(i) RM30,000 compounds on Maxis Mobile Services Sdn. Bhd. ("MMS") for dropped calls on 4 March 2013; and
(ii) RM150,000 and RM10,000 compounds on MMS and Maxis Broadband Sdn. Bhd. on 7 February and 8 March 2013 respectively for non-compliance with the prepaid registration guidelines.

Save as disclosed above, there are no public sanction and penalties imposed on the Company or its subsidiaries, Directors or Management by the relevant regulatory bodies.

EMPLOYEE SHARE OPTION SCHEME (ESOS)

Please refer to the Directors' Report (pages 87 and 88) and Note 31(b) (pages 159 and 161) of the Audited Financial Statements of this Annual Report. The ESOS implemented on 17 September 2009 is the Company's only employee share option scheme currently in existence during the financial year ended 31 December 2012.

MATERIAL CONTRACTS

Material Contracts of Maxis Berhad and its subsidiaries, involving Directors' and Major Shareholders' interest, either subsisting at the end of financial year 2012, if not subsisting, entered into since the end of financial year 2011.

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the group	Mode of satisfaction of consideration	Relationship between Director or Major Shareholder and contracting party (if Director or Major Shareholder is not contracting party)
1	Licence Agreement	20 October 2009	Maxis Berhad Maxis Communications Berhad ("MCB")	Grant by MCB to the Company and its subsidiaries of a perpetual, royalty-free licence to use in Malaysia, trademarks and service marks that are registered in the name of MCB	The consideration of each party for the agreement is the exchange of promises and a cash payment of RM10 payable by the Company	Fulfillment of promises and cash of RM10	MCB is a Major Shareholder of the Company. The Company is a 65% subsidiary of MCB Please see Note 1 below for further details of the relationship
2	Transponder Lease for Measat-3 supplemented by supplemental letters no. 1 - 8	17 October 2007 Supplemental No. 1: 20 May 2009 Supplemental No. 2: 9 June 2009 Supplemental No. 3: 17 February 2010 Supplemental No. 4: 17 June 2010 Supplemental No. 5: 20 April 2011 Supplemental No. 6: 8 May 2012 Supplemental No. 7: 13 July 2012 Supplemental No. 8: 4 January 2013	Maxis Broadband Sdn. Bhd. ("MB") MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Leasing of transponders for MEASAT-3 by MB for use of bandwidth capacity	Rental fee payable by MB to MSS	Cash	MB is a wholly-owned subsidiary of the Company Please see Note 2 below for further details on the relationship between MB and MSS
3	Teleport Services Agreement (Lease rentals of Measat earth station facility)	17 October 2007	MB MSS	Lease rentals of MSS teleport and earth station facility by MB	Service fee payable by MB to MSS	Cash	Please see Note 2 below for further details on the relationship between MB and MSS

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the group	Mode of satisfaction of consideration	Relationship between Director or Major Shareholder and contracting party (if Director or Major Shareholder is not contracting party)
4	(a) Agreement for 3G Service Level for design, build and operation of 3G MBSB Network and Migration of 3G Wholesale Services Provision (b) Supplemental Agreement to Agreement for 3G Service Level for design, build and operation of 3G MBSB Network and Migration of 3G Wholesale Services Provision dated 11 April 2008 (c) Supplemental Agreement to Agreement for 3G Service Level for design, build and operation of 3G MBSB Network and Migration of 3G Wholesale Services Provision dated 11 April 2008	11 April 2008 12 February 2009 28 October 2011	MB UMTS (Malaysia) Sdn. Bhd. ("UMTS")	The agreements in 4(a), (b) and (c) provide for arrangements relating to the migration by UMTS of provision of 3G wholesale services to MB for MB to provide 3G wholesale services to licensees under the Communications and Multimedia Act 1998 who are authorised to provide 3G mobile services to end users	Undertakings and agreements in the agreements	Fulfillment of undertakings and agreements in the agreements	Please see Note 3 below for further details on the relationship between MB and UMTS
5	Services Agreement	14 February 2011	Maxis Mobile Services Sdn. Bhd. ("MMS") SRG Asia Pacific Sdn. Bhd. ("SRG")	Procurement of customer call handling and telemarketing services by MMS from SRG	Consideration passing from MMS to SRG is RM113.8 million	Cash	MMS is a wholly-owned subsidiary of the Company Please see Note 4 below for further details on the relationship between MMS and SRG

FINANCIAL STATEMENTS

CORPORATE GOVERNANCE

ANALYSIS OF SHAREHOLDINGS

OTHER INFORMATION

ANNUAL GENERAL MEETING

Continued

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the group	Mode of satisfaction of consideration	Relationship between Director or Major Shareholder and contracting party (if Director or Major Shareholder is not contracting party)
6*	Extension Agreement	15 December 2010	Maxis Mobile Sdn. Bhd. ("MM") Advanced Wireless Technologies Sdn. Bhd. ("AWT")	Agreement for the extension of the term of a shareholder's loan amounting to RM104,923,583.64 owing by AWT to MM, for a further period of five years from 24 November 2010 The loan was originally granted pursuant to a letter dated 30 September 2003 which was supplemented by an agreement dated 24 November 2005 between MCB and AWT (collectively, SLA). The rights, duties, obligations and liabilities of Maxis Communications Berhad under the SLA was novated to MM via a Deed of Novation dated 28 September 2009 between MM, MCB and AWT	Undertakings and agreements in the agreements	Fulfillment of undertakings and agreements in the agreements.	MM is a wholly-owned subsidiary of the Company while AWT is a 75% owned subsidiary of the Company Please see Notes 1 and 3 below for further details on the relationship between MM and AWT
7*	Extension Agreement	15 December 2010	MBNS Multimedia Technologies Sdn. Bhd. ("MMT") AWT	Agreement for the extension of the term of a shareholder's loan amounting to RM33,059,601.83 owing by AWT to MMT, for a further period of five years from 9 December 2010 The loan was originally granted pursuant to an agreement dated 24 November 2005 between MMT and AWT	Undertakings and agreements in the agreements	Fulfillment of undertakings and agreements in the agreements	Please see Note 3 below for further details on the relationship between AWT and MMT
8	Managed Bandwidth Services Agreement	1 July 2011	MB MEASAT Broadband (International) Ltd ("MBIL")	Lease of bandwidth capacity on IPSTAR-1 satellite by MBIL	Rental fee payable by MB to MBIL	Cash	MBIL is a wholly-owned subsidiary of MGB Please see Note 2 below for further details on the relationship between MB and MBIL

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the group	Mode of satisfaction of consideration	Relationship between Director or Major Shareholder and contracting party (if Director or Major Shareholder is not contracting party)
9	IPTV Services Agreement	19 Jan 2012	MB Media Innovations Pty Ltd ("Media Innovations") Astro Digital 5 Sdn. Bhd. (formerly known as Digital Five Sdn. Bhd.) ("D5")	Provision of IPTV platform and customer premises equipment development services and IPTV related services including operational, consultancy and project (hardware and software) services	Fees payable by MB to Media Innovations and D5	Cash	Please see Note 3 below for further details on the relationship between MB, Media Innovations and D5.
10	(a) Publishing & Advertising Services Agreement (b) Supplemental Agreement to Publishing and Advertising Services Agreement dated 4 March 2011	4 March 2011 4 March 2011	MMS D5	The agreements in 10(a) and (b) provide for the appointment of D5 by MMS as its (i) exclusive content aggregator, publishing and advertising agency services provider across Maxis' Internet properties (other than mobile properties and IPTV services), (ii) exclusive advertising agency services provider for IPTV services; and (iii) non-exclusive content aggregator, publishing and advertising agency services provider across Maxis' mobile properties	Fees payable by MMS to D5	Cash	Please see Note 3 below for further details between MMS and D5
11	Co-marketing Agreement	30 August 2012	MEASAT Broadcast Network Systems Sdn. Bhd. ("MBNS") MB	To exclusively develop and co-market unique consumer offers combining Astro B.yond, IPTV and Astro On The Go services with Maxis' fibre, mobile, wireless internet and Asymmetric Digital Subscriber Line ("ADSL") service	Fees payable by MBNS to MB	Cash	MBNS is a wholly-owned subsidiary of Astro Malaysia Holdings Berhad ("AMH"). Please see Note 3 below for further details on the relationship between MB and AMH.

* Additional information relating to agreement nos. 6 and 7

No.	Contract	Names of Lender & Borrower	Relationship between borrower and Director or Major Shareholder (if director or Major Shareholder is not the borrower)	Purpose of the loan	Amount of the loan	Interest Rate	Terms as to payment of interest and repayment of principal	Security provided
1	Extension agreement between MM and AWT	Lender: MM Borrower: AWT	Please refer to Notes 1 and 3 below for further details on the relationship between MM and AWT	To provide capital support for AWT, the holding company of UMTS	RM104,923,583.64	1% per annum above the base lending rate of Malayan Banking Berhad	The loan together with interest accrued shall be repaid on 24 November 2015	Nil
2	Extension agreement between MMT and AWT	Lender: MMT Borrower: AWT	Please refer to Note 3 below for further details on the relationship between MMT and AWT	To provide capital support for AWT, the holding company of UMTS	RM33,059,601.83	1% per annum above the base lending rate of Malayan Banking Berhad	The loan together with interest accrued shall be repaid on 9 December 2015	Nil

Notes:

1. Binariang GSM Sdn. Bhd., Usaha Tegas Equity Sdn. Bhd., Usaha Tegas Sdn. Bhd. ("UTSB"), Pacific States Investment Limited (PSIL), Excorp Holdings N.V. ("Excorp"), PanOcean Management Limited ("PanOcean"), Ananda Krishnan Tatparanandam ("TAK"), Harapan Nusantara Sdn. Bhd., Tun Dr. Haji Mohammed Hanif bin Omar ("THO"), Dato' Haji Badri bin Haji Masri ("Dato' Badri"), Mohamad Shahrin bin Merican ("MSM"), STC Malaysia Holding Ltd, STC Asia Telecom Holding Ltd, STC and Public Investment Fund, who are Major Shareholders of the Company are also major shareholders of MCB. The Company is a 64.99% subsidiary of MCB

   Dr. Fahad Hussain S. Mushayt ("FH"), Dr. Ibrahim, Abdulrahman H. Kadi ("Dr. Ibrahim"), Krishnan Ravi Kumar ("RK"), Augustus Ralph Marshall ("ARM"), Chan Chee Beng ("CCB") and Sandip Das ("SD") are Directors of MCB and the Company. FH, CCB and SD are also Directors of MMS, MB and MM while FH and SD are also directors of AWT and UMTS. FH is also employee of STC. FH is the head of Strategic Investments Unit of STC. In addition, ARM, CCB and SD are the shareholders of the Company.

2. MSS and MBIL are the wholly-owned subsidiaries of MGB. TAK who is a Major Shareholder of the Company is also a major shareholder of MGB.

   THO who is a Major Shareholder of the Company is also a director of MSS.

   ARM and CCB are also directors of MGB whilst CCB is also a director of MSS. Please refer to Note 1 above for the relationships and interests of ARM and CCB in the Company.

3. UMTS is a wholly-owned subsidiary of AWT which in turn is a 75% owned subsidiary of the Company. The remaining 25% equity interest in AWT is held by MBNS Multimedia Technologies Sdn. Bhd. ("MMT"), which in turn is wholly-owned by Astro Malaysia Holdings Berhad ("AMH"). AMH is a subsidiary of Astro Networks (Malaysia) Sdn. Bhd. ("ANM") which in turn is wholly-owned by Astro Holdings Sdn. Bhd. ("AHSB").

   D5 and MBNS are wholly-owned subsidiaries of AMH whilst Media Innovations is wholly-owned by Media Innovations Pte Ltd ("MIPL") which in turn is 44.95% held by All Asia Digital Networks Pte Ltd ("AADN"). AADN is an indirect wholly-owned subsidiary of AHSB. MBNS is a wholly-owned subsidiary of AMH.

   UTSB, PSIL, Excorp, PanOcean, TAK, THO, Dato' Badri and MSM who are Major Shareholders of the Company are also major shareholders of AMH

   ARM is also a Director of AHSB, ANM, AMH, Media Innovations and MIPL. Please see Note 1 above for the relationships and interests of ARM and Dato' Badri in the Company.

   Dato' Badri is also a director of AHSB and ANM.

   Dato' Mohamed Khadar bin Merican, a director of AMH is a person connected to MSM, who is a Major Shareholder of the Company.

4. SRGAP is a wholly-owned subsidiary of UTSB.

   UTSB, PSIL, Excorp, PanOcean and TAK are also major shareholders of SRGAP. Please refer to Note 1 above for their relationships and interests in the Company.

   ARM and CCB are also executive directors of UTSB. Please refer to Note 1 for ARM's and CCB's relationships and interests in the Company respectively.

   MSM is also a director of certain subsidiaries of UTSB. Please refer to Note 1 and 3 above for MSM's relationships and interests in the Company.

GLOSSARY

2G
Second generation or 2G digital wireless communications system which uses circuit switching technology. GSM is one of the most widely used 2G mobile systems.

3G
Third generation or 3G digital wireless communications system which uses both circuit and packet switching technology and offers higher speed data transmission rates than those available under 2G. W-CDMA and CDMA2000 are two of the leading 3G technologies.

4G
Fourth generation digital wireless communication system, also known as LTE ("Long-Term Evolution").

ADS
Advanced Data Services.

ADSL
Asymmetric Digital Subscriber Line; a digital subscriber line of copper loop enhanced technologies, which is asymmetric, providing faster transmission rates downstream than upstream. It is suited to fast internet access where requests for web pages and email generally require less bandwidth than the receipt of multimedia and web pages.

ARPU
Average Revenue Per User. This is the average of the monthly revenue per subscription in a period, each calculated by dividing (i) the monthly revenue (net of rebates) less roaming partner revenue and non-recurring fees by (ii) the monthly average number of revenue-generating subscriptions.

Bandwidth
The information-carrying capacity of a communications channel expressed in the form of rate of data transfer (bits per second or multiples of it).

Base Station
A transceiver station located within a cell used for communication between mobile devices within the cell and a Base Station Controller (BSC) or Mobile Switching Center (MSC).

Broadband
Transmission capacity having a bandwidth greater than 256kbps, capable of high-speed data transmission.

BTS
Base Transceiver Station; radio equipment contained in a base station that is used for transmitting and receiving signals to and from a mobile device within a single cell.

Capex
Capital expenditure.

CAGR
Compounded Annual Growth Rate.

CDMA
Code Division Multiple Access; a digital wireless transmission technology based on continuous digital transmission using coding sequences to mix and separate voice and data signals. CDMA allows more than one user to simultaneously occupy a single radio frequency band with reduced interference.

Cloud Computing
The delivery of computing as a service rather than a product, whereby shared resources, software and information are provided to computers and other devices as a metered service over a network (typically the Internet).

Data Centre
Services which include server racks or space in a controlled environment, regulated power supply, dedicated and shared network connections, state-of-the-art security, fire detection and suppression among others.

EBITDA
Profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network assets.

ETP
Economic Transformation Programme launched by the Government of Malaysia; the programme acts as the catalyst of growth in two ways: focusing resources on 12 National Key Economic Areas (NKEAs) and improving competitiveness through six Strategic Reform Initiatives.

Fibre Optic
A means of providing high-speed data transmission using light to send signals through glass fibres.

FMCG
Fast Moving Consumer Goods.

Free Cash Flow
Cash flows from operations less capital expenditure, device subsidies, interest payments and finance lease repayments.

Femtocell
A small, low power cellular base station, typically designed for use in a home or small business.

Gbps
1 billion bits per second.

Gearing Ratio
Calculated as interest-bearing borrowings, loan from a related party, payables under deferred payment scheme, loan from immediate holding company and derivative financial liabilities/assets on a net basis less cash and cash equivalents divided by total equity.

GPRS
General Packet Radio Service; an enhancement of the GSM system that supports packet switching and higher speed data transmission rates than 2G.

GSM
Global System for Mobile communications; one of the most widely used standards for mobile communications; initially developed to standardise the use of mobile technology in Europe.

HSDPA
High-Speed Downlink Packet Access; an extension to 3G that provides downlink data speeds in excess of standard 3G.

HSPA/HSPA+
High-Speed Packet Access; an extension to 3G that provides downlink and uplink data speeds in excess of standard 3G.

ICT
Information and Communication Technology; an umbrella term that includes any communication device or application, encompassing radio, television, mobile phones, computer and network hardware and software, satellite systems as well as various services and applications associated with them, such as video-conferencing and distance-learning.

IFRS
International Financial Reporting Standards.

IM
Instant Messaging.

Interest Cover Ratio
Calculated as profit from operations divided by finance costs.

International Gateway
An international gateway exchange; a telephone switch that forms the gateway between a national telephone network and one or more other international gateway exchanges, thus providing cross-border connectivity.

Internet
The interconnection of servers worldwide that provides communications and application services to an international base of business, consumers, education, research, government and other organisations.

IP
Internet Protocol; a standard that keeps track of network addresses for different nodes, routes outgoing messages, and recognises incoming messages.

IPTV
Internet Protocol Television.

Kbps
One thousand bits per second.

KPKK
Ministry of Information Communication and Culture.

LAN
Local Area Network; a short-distance data communications network usually within a building.

LTE
Long-Term Evolution or 4G LTE; a standard for wireless communication of high-speed data for mobile phones and data terminals with increased capacity and speed compared to 3G technology.

Managed Services
Outsourcing of business operations and infrastructures to a managed services provider through agreed Service Level Agreement. Managed services allow enterprises to reduce their capital and resource investment. Such outsourced services are usually IT support, helpdesk/call centre, voice (fixed voice lines, PABX), wide area networks (WAN) and local area networks (LAN).

MASB
Malaysian Accounting Standards Board.

Maxis Group or the Group
Maxis Berhad and its subsidiaries.

Maxis or the Company
Maxis Berhad (Company No. 867573-A).

Maxis Home Services
The first multiple-play service in Malaysia, available to customers in fibre-connected areas nationwide. Services include access to voice, high-speed Internet, value-added services and content. These services are made available over multiple access and across multiple screens.

Mbps
One million bits per second.

MCB
Maxis Communications Berhad (Company No. 158400-V).

MEPs
Maxis Exclusive Partners.

Metro-E
Metro-Ethernet which provides point-to-point connection between offices.

MFRS
Malaysian Financial Reporting Standards.

MMLR
Main Market Listing Requirements.

MMS
Multimedia Messaging Service.

MNC
Multi National Corporation.

MOE
Ministry of Education Malaysia.

MOU
Minutes Of Use; the average total (incoming and outgoing) minutes of use per subscription being the average of the total minutes per subscription calculated by dividing the monthly total minutes by the monthly average number of active subscriptions.

MVNO
Mobile Virtual Network Operator.

MyLaunchPad
Maxis' content destination portal, offering locally relevant content and services.

M2M
Machine-to-Machine.

NanoBTS
A small transmitter using satellite which provides coverage and capacity to rural areas with small populations of about 200 people.

Net Assets per Share
Calculated as equity attributable to equity holders of the Company divided by the number of issued and paid-up shares.

Net Debt
Calculated as total interest-bearing financial liabilities (including payables under deferred payment scheme, loan from a related party, borrowings and derivative financial liabilities/assets on a net basis) less cash and cash equivalents.

Network
A group of two or more computer systems or telecommunications elements linked together.

NFC
Near Field Communication.

PAT
Profit after taxation.

PBT
Profit before taxation.

RAN
Radio Access Networks; part of a mobile telecommunication system that provides radio access between a mobile device and a core network.

Return on Average Equity
Calculated as profit attributable to equity holders of the Company divided by the average of the opening and closing equity attributable to equity holders of the Company for the period.

Return on Average Assets
Calculated as the profit for the financial year (adjusted for finance costs, net of tax) divided by the average opening and closing total assets for the period.

Return on Invested Capital
Calculated as the profit for the financial year (adjusted for finance income/ costs, net of tax) divided by the average opening and closing invested capital for the period. Invested capital is defined as total equity, interest-bearing borrowings, loan from a related party, payables under deferred payment scheme, loan from immediate holding company and derivative financial liabilities/assets on a net basis less cash and cash equivalents.

Revenue Generating Subscriptions (RGS)
With effect from 1 January 2011, in parallel to the market (old) definition, Maxis adopted a stricter definition of subscriptions for reporting purposes that is more reflective of the revenue-generating base. The definition of mobile subscriptions for Postpaid, Prepaid and Wireless Broadband are now as follows:
- Postpaid and Wireless Broadband: subscriptions on the register excluding subscriptions that have been barred for more than 50 days.
- Prepaid: Subscriptions on the register excluding subscriptions that do not have any revenue contribution for more than 50 days.

RM
Ringgit Malaysia; the lawful currency of Malaysia.

Roaming
When mobile customers leave their own mobile carrier's home network and move on to another mobile operator's network.

Server
A shared computer on a LAN that provides services to other computers in the network.

SIM
Subscriber Identity Module; an electronic card which stores the subscriber identity information and authentication key which identifies the subscriber to a network.

SKMM
Malaysian Communication and Multimedia Commission.

Smartphone
A mobile phone offering advanced capabilities, converging the telephone functionalities with features such as calendars, email, Internet access and more.

SMS
Short Message Services; a service whereby mobile telephone users may send text messages.

Total Borrowings
Include interest-bearing borrowings, loan from a related party, payables under deferred payment scheme, loan from immediate holding company and derivative financial liabilities/assets on a net basis.

USP
Universal Service Provision; an initiative to promote the widespread availability and usage of network and/or applications services by encouraging the installation of network facilities and the provision of network and/or applications services in underserved areas.

VAS
Value-added Services.

VoIP
Voice over IP; the communication protocols, technologies, methodologies and transmission techniques involved in the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the Internet.

VSAT
Very Small Aperture Terminal; a small earth station for transmission of data by satellite.

WAP
Wireless Application Protocol; an open, global protocol that is designed to send web pages to wireless devices and allow users to access information instantly.

WAP-STK
Wireless Application Protocol through Subscriber Identity Module (SIM) Toolkit; a platform that allows users to access WAP-based content as SMS through the use of SIM card menus.

WiFi
A local area network that uses high frequency radio signals to transmit and receive data over distances of a few hundred feet; uses ethernet protocol.

Wireless LAN
Local Area Networks that transmit and receive data over the air.

WiMAX
Worldwide Inter-operability for Microwave Access, which is a telecommunications technology aimed at providing wireless data over long distance, from point-to-point links to full mobile cellular type access.

Wireless Broadband
Broadband subscriptions for Internet access on computers via wireless modems only. This does not include any Internet access on mobile phone screens.

MAXIS CENTRES

CENTRAL REGION

ALAMANDA
Lot G80/81, Ground Floor
Alamanda Putrajaya
Shopping Centre
Jalan Alamanda Precint 1
62000 Putrajaya

CHERAS
No 69, Jalan Manis 4
Taman Segar, Cheras
56100 Kuala Lumpur

E@CURVE
G-27, e@curve No 2A
Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya

KLANG
C7-1-0, Ground Floor
BBT One
Lebuh Batu Nilam 2
Bandar Bukit Tinggi
41200 Klang

KLIA
Main Terminal Building
Lot IUTBD 13C,
Departure Level
Kuala Lumpur International
Airport Sepang
Selangor

KUALA LUMPUR CITY
CENTRE
Maxis Centre KLCC
Ground Floor
Menara Maxis
50088 Kuala Lumpur

LOW COST CARRIER
TERMINAL
Lot LCPC 06
Public Concourse LCCT
64000 KLIA, Sepang

PAVILION
Lot 1.31, Level 1
Pavilion KL
Jalan Bukit Bintang
55100 Kuala Lumpur

SELAYANG
Grd & 1st Flr, 69, Jalan 2/3A
Pusat Bandar Utara
Off Jalan KM12, Jalan Ipoh
68100 Batu Caves

SUNWAY PYRAMID
Lot F1.99, First Floor
Sunway Pyramid Phase 2
No 3 Jalan PJS 11/15
Bandar Sunway
46150 Petaling Jaya

TAMAN TUN DR ISMAIL
No 43 - 44, Jalan 2/71
Off Jalan Tun Mohd Fuad
Taman Tun Dr Ismail
60000 Kuala Lumpur

THE GARDENS
Lot T-231, Third Floor
The Gardens, Mid Valley
Lingkaran Syed Putra
59200 Kuala Lumpur

KL SENTRAL
Unit 11, Tkt 1
Stesen Sentral KL
50470 Kuala Lumpur

NORTHERN REGION

ALOR SETAR
18D & E, Wisma Kurnia
Lebuhraya Darulaman
05100 Alor Star

IPOH
No 1, Persiaran Greentown 8
Greentown Business Centre
30450 Ipoh

LANGKAWI
No 1, Persiaran Mutiara
Kelana Emas
07000 Langkawi

PULAU PINANG
Unit S-1-B and Unit S-2-A
The Northam
No 55 Jalan Sultan
Ahmad Shah
10050 Pulau Pinang

PRAI
No 52, Jalan Todak 4
Pusat Bandar Seberang Jaya
13700 Prai
Pulau Pinang

QUEENSBAY
LG-05, Lower Ground Floor
Queensbay Mall
100 Persiaran Bayan Indah
11900 Bayan Lepas

TAIPING
Lot 85, Jalan Taiping Utara
Taman Taiping Utara
34600 Kamunting

EAST COAST

KOTA BHARU
No 51 & 52
Jalan Kebun Sultan
15000 Kota Bharu

KUANTAN
A15 & 17, Jalan Tun Ismail 1
Kuantan Perdana
25000 Kuantan

KUALA TERENGGANU
A1-A2, Jalan Batas Baru
20300 Kuala Terengganu

SOUTHERN REGION

BP Mall
Lot G67, Batu Pahat Mall
83000 Batu Pahat

DANGA BAY
Block 6-G-1, Danga Walk
Batu 41/2 Jalan Skudai
80200 Johor

MELAKA
Lot G-27, Mahkota Parade
No 1 Jalan Merdeka
75000 Melaka

SEREMBAN
No 136, Jalan Tun Dr Ismail
Seremban City Square
70200 Seremban

TAMAN MOLEK
Ground Floor
Unit No 12 & 14
Jalan Molek 1/9
Taman Molek
81100 Johor Bahru

SABAH

WARISAN SQUARE
Lot 9, Block B
Warisan Square
88000 Kota Kinabalu

SANDAKAN
Lot 165, Block 18
Ground Floor
Prima Square, Jalan Tinosa
90000 Sandakan

SARAWAK

KUCHING
Lot 24-25
(Ground, 1st, 2nd Floor)
Al Idrus Commercial Centre
Jalan Satok
93400 Kuching

MIRI
No 2377
(Ground Floor, 1st, 2nd)
and 2378 (Ground Floor)
Jalan Boulevard 1
Boulevard Commercial
Centre
98000 Miri

SIBU
No 1, Lot 3728
Ground Floor
Jalan Pahlawan
96000 Sibu
Sarawak

MAXIS EXCLUSIVE PARTNERS

CENTRAL REGION

ACTION TELE NET CENTER SDN. BHD.
Lot No G-2, Ground Floor
Hartamas Shopping Centre
No 60, Jalan Sri Hartamas 1
50480 Kuala Lumpur
Tel: 03-62011377

ASHITA COMMUNICATION SDN. BHD.
No 144, Persiaran Raja Muda Musa
KS 04 Port Klang
42000 Pelabuhan Klang
Selangor
Tel: 03-31655679

ASHITA COMMUNICATION SDN. BHD.
G13b, Ground Floor
Klang Parade, 2112 KM 2
41050 Klang
Selangor
Tel: 03-33440139

ASHITA COMMUNICATION SDN. BHD.
No 200, Jalan Sultan Abdul Samad
42700 Banting
Selangor
Tel: 03-31815300

ASHITA COMMUNICATION SDN. BHD.
No 26, Jalan Besar Kapar
42200 Kapar
Selangor
Tel: 03-32500048

AUDIOLINK COMMUNICATIONS SDN. BHD.
No 52A, Jalan 17/9
Bandar Mahkota Cheras
43200 Cheras
Selangor
Tel: 03-90751505

CELNET SDN. BHD.
No 12, Jalan Yong Shook Lin
46200 Petaling Jaya
Selangor
Tel: 03-79588900

CELLTEL (M) SDN. BHD.
No 36G, Jalan Tanjung 8
Taman Putra
68000 Ampang
Selangor
Tel: 03-23000354

CELLTEL (M) SDN. BHD.
Main Lobby, E-Mart Complex
Jalan Pasar
55100 Kuala Lumpur
Tel: 03-21427218

CENTER POINT COMMUNICATION & ENTERPRISE
No 2, Jalan SS 15/8
(Inside Asia Cafe SS15)
47500 Subang Jaya
Selangor
Tel: 03-56313228

CHAU LENG ENTERPRISE
Lot 1621, Medan Sungai Besar
45300 Sungai Besar
Selangor
Tel: 03-32241380

COMPU-COMM HOLDINGS SDN. BHD.
No 9, Jalan Ambong Kiri 2
Kepong Baru
52100 Kuala Lumpur
Tel: 03-62501900

COMPU-COMM HOLDINGS SDN. BHD.
Pasaraya Besar Carrefour
Kepong, Level 2, Lot 9
No 2 Jalan Metro Perdana
52100 Kuala Lumpur
Tel: 03-62595028

COMPU-COMM HOLDINGS SDN. BHD.
F2.42, Carrefour Shopping Center
No 6, Jalan 8/27A
Sekysen 5, Wangsa Maju
53300 Kuala Lumpur
Tel: 03-62595028

COMPU-COMM HOLDINGS SDN. BHD.
F3.06, Level F3
Carrefour Shopping Centre
No 3, Jalan SS16/1
47500 Subang Jaya
Selangor
Tel: 03-56330808

COMPU-COMM HOLDINGS SDN. BHD.
F1.02, Klang Carrefour
No 2, Jalan Harmoni 3 Ku/3
Sg Pinang
41200 Klang
Selangor
Tel: 03-33427210

COMPU-COMM HOLDINGS SDN. BHD.
Lot 11, Ground Floor Tesco
Medan Niaga
45000 Kuala Selangor
Selangor
Tel: 03-32896462

COMPU-COMM HOLDINGS SDN. BHD.
Digital Mall, Lot No G-03A
Ground Floor, Digital Mall
No 2, Jalan 14/20, Seksyen 14
46100 Petaling Jaya
Selangor
Tel: 03-78735887

EICAS COMM (M) SDN. BHD.
No 130, Jalan Cerdas
Taman Connaught Cheras
56000 Kuala Lumpur
Tel: 03-91016911

ERICOM SDN. BHD.
Unit LGF 2, Lower Ground Floor
The Sphere, No 1
Avenue 1 Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: 03-77852355

ERICOM SDN. BHD.
No C-19 Jalan 1/21
(Old Town)
46000 Petaling Jaya
Selangor
Tel: 03-77852355

EVERCALL SDN. BHD.
TESCO Kepong Village Mall
SB 30
No 3, Jalan 7A/62A
Bandar Menjalara
52200 Kuala Lumpur
Tel: 03-62742012

EVERCALL SDN. BHD.
LOT LI-23A, No 1 Jln Kiara
Mont Kiara
50480 Kuala Lumpur
Tel: 03-62011891

EVERCALL SDN. BHD.
Lot G-18E, Ground Floor
The Store Shopping Complex
47000 Sungai Buloh
Selangor
Tel: 03-61577868

EVERCALL SDN. BHD.
No 21, Ground Floor
Jalan Puteri 1/4 Bandar Puteri
47100 Puchong
Selangor
Tel: 03-61563242

GENTEL COMMUNICATION SDN. BHD.
L4-30, Level 4
The Mines Shopping Fair
43300 Seri Kembangan
Selangor
Tel: 012-2807777

GET-A-PHONE MARKETING SDN. BHD.
Lot G18F & G18G
Ground Floor, IOI Mall
Batu 9 Jalan Puchong
Bandar Puchong Jaya
47100 Puchong
Selangor
Tel: 03-58822020

HOMESTEAD SHOP (M) SDN. BHD.
Lot 4-036, 4th Floor
Plaza Low Yat
Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-78474512

INCOMM MARKETING SDN. BHD.
G09, Aeon Jusco Bukit Tinggi
Shopping Centre
Bandar Bukit Tinggi 2
41200 Klang
Selangor
Tel: 03-33240909

INCOMM MARKETING SDN. BHD.
G19, Ground Floor
Aeon Shopping Centre
No 2 Jalan Equine
Seri Kembangan
43300 Seri Kembangan
Selangor
Tel: 03-89482219

INCOMM MARKETING SDN. BHD.
F49, AEON Cheras Selatan Shopping
Centre
Lebuh Tun Hussein Onn
43200 Cheras
Selangor
Tel: 03-3318815

KTS COMMUNICATION SDN. BHD.
No 10, Jalan Kapar
41400 Klang
Selangor
Tel: 03-33488041

KTS CELLULAR SDN. BHD.
Lot 1F-12, Shah Alam City
Centre Mall
Jalan Perbandaran 14/9
Seksyen 14
40000 Shah Alam
Selangor
Tel: 03-55196988

KTS CELLULAR SDN. BHD.
Lot 60, Setia City Mall
No 7, Persiaraan Setia Dagang
Bdr Setia Alam, Section U 13
40170 Shah Alam,
Selangor
Tel : 012-3889919

NEFION COMMUNICATIONS CENTRE
Lot 40, Ground Floor
Pandan Kapitol
Jalan Pandan Utama
Pandan Indah
55100 Kuala Lumpur
Tel: 03-42968288

ORANGE MOBILE (M) SDN. BHD.
No 8, Jalan 7/108C
Taman Sungai Besi
57100 Kuala Lumpur
Tel: 03-79872337

ORANGE MOBILE (M) SDN. BHD.
F18, Level 1
Jusco Tmn Maluri
Shopping Center
Jalan Jejaka, Taman Maluri
Cheras,
55100 Kuala Lumpur
Tel: 03-79826722

ORANGE MOBILE (M) SDN. BHD.
LOT 3-01, 3rd Floor
VIVA Home
No 85 Jalan Loke Yew
57100 Kuala Lumpur
Tel: 03-79828493

ORANGE MOBILE (M) SDN. BHD.
No 90, Lorong Mamanda 1
Ampang Point
68000 Ampang
Selangor
Tel: 03-42511733

ONE TO ONE COMMUNICATIONS
SDN. BHD.
Lot G8, Ground Floor
Plaza OUG, Jalan Mega
Tmn Overseas Union
Off Jalan Klang Lama
58200 Kuala Lumpur
Tel: 03-79843211

ONE TO ONE COMMUNICATIONS
SDN. BHD.
No 61, Jalan SS2/75
47300 Petaling Jaya
Selangor
Tel: 03-78735887

ONE TO ONE COMMUNICATIONS
SDN. BHD.
Lot G42, Ground Floor
Selayang Mall, Jalan Su9
Taman Selayang Utama
68100 Batu Caves
Selangor
Tel: 03-79877121

ONE TO ONE COMMUNICATIONS
SDN. BHD.
L2-08, Second Floor
Tropicana City Mall
No 3, Jalan 20/27
47400 Petaling Jaya
Selangor
Tel: 03-79877121

PHONE STAR MARKETING SDN. BHD.
No 5, Jalan PJS 8/5
Bandar Sunway
46150 Petaling Jaya
Selangor
Tel: 03-56351878

PLANTRONICS COMMUNICATIONS
30, Jalan Murni 25/61
Taman Sri Muda
40000 Shah Alam
Selangor
Tel: 03-51229966

POWER VANTAGE CELLULAR
SDN. BHD.
No 61, Ground & 1st Floor
Jalan USJ 10/1A, Taipan
Triangle, UEP Subang Jaya
47620 Subang Jaya
Selangor
Tel: 03-56377133

SHINING TELECOMMUNICATION
SDN. BHD.
Lot Lg59, Paradigm Mall
No 1, Jln Ss 7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor
Tel: 07-5565911

SHINING TELECOMMUNICATION
SDN. BHD.
P1-13A & P1-15, Level Ps 1
Shaftsbury Square
Persiaran Multimedia
63000 Cyberjaya
Selangor
Tel: 07-5565911

SPEED POWER MOBILEWORLD
SDN. BHD.
No 15, Jalan Maxwell
48000 Rawang
Selangor
Tel: 03-60926266

SPEED POWER MOBILEWORLD
SDN. BHD.
No 41, Jalan Meranti 1A
Bandar Utama Batang Kali
44300 Batang Kali
Selangor
Tel: 03-60571124

SPEED DIAL SDN. BHD.
Lot LG220, Lower Ground Floor
Promenade, One Utama
Shopping Complex
No 1 Lebuh Bandar Utama
Bandar Utama
47800 Petaling Jaya
Selangor
Tel: 03-77255686

TAKACOM CELLULAR SDN. BHD.
G18, Ground Floor
Berjaya Times Square
No 1 Jalan Imbi
55100 Kuala Lumpur
Tel: 03-21413007

TAKACOM CELLULAR SDN. BHD.
Lot S-043B, 2nd Floor
Mid Valley Mega Mall
Lingkungan Syed Putra
58000 Kuala Lumpur
Tel: 03-22870255

TAKACOM CELLULAR SDN. BHD.
F13, Giant Hypermarket
Bandar Kinrara
Jalan BK 5A/1, Bandar Kinrara
47100 Puchong
Selangor
Tel: 03-80701266

TAKACOM CELLULAR SDN. BHD.
Lot A30, Ground Floor
Giant Hypermarket
Shah Alam
Lot 2, Persiaran Sukan
Seksyen 13
40100 Shah Alam
Selangor
Tel: 03-21444079

TAKACOM CELLULAR SDN. BHD.
No A03, Ground Floor
Giant Hypermarket
Lot 10243, Jalan Batu Caves
Bandar Selayang
68100 Selayang
Selangor
Tel: 03-21444079

TAKACOM CELLULAR SDN. BHD.
Lot F29, Giant Hypermarket
Kota Damansara
No 16, Jalan PJU5/1
47810 Petaling Jaya
Selangor
Tel: 03-21444079

TAKACOM CELLULAR SDN. BHD.
Lot F30, Giant Hypermarket
Putra Heights
Mukim Damansara
Daerah Petaling
46150 Petaling Jaya
Selangor
Tel: 03-21444079

THE HELLO STATION (M) SDN. BHD.
Lot 2F-21B, 2nd Floor
Bangsar Village II
No 2, Jalan Telawi Satu
Bangsar Baru
59100 Kuala Lumpur
Tel: 03-21411800

THE HELLO STATION (M) SDN. BHD.
Lot F137, 1st Floor
Bangsar Shopping Centre
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Tel: 03-21411800

UTAMA MOBILEWORLD (M) SDN. BHD.
No 100, Jalan Dwitasik
Dataran Dwitasik Bandar Sri Permaisuri
56000 Kuala Lumpur
Tel: 03-91731831

UTAMA MOBILEWORLD (M) SDN. BHD.
Lg 05, Lower Ground Floor
Plaza Metro Kajang
Section 7, Jln Abdul Aziz
43000 Kajang
Selangor
Tel: 03-91731831

WEB CATERPILLAR SDN. BHD.
No 50, Jalan 2/23A
Danau Kota
Off Jalan Genting Kelang
53300 Kuala Lumpur
Tel: 03-41438828

YES'S COMM ENTERPRISE SDN. BHD.
L3-24, Third Floor
Terminal Bersepadu Selatan
Bandar Tasik Selatan
57100 Kuala Lumpur
Tel: 03-23302006

YES'S COMM ENTERPRISE SDN. BHD.
G26, Ground Floor
Pikom Ict Mall @ Cap Square
No 7, Persiaran Cap Square
Capital Square
50100 Kuala Lumpur
Tel: 03-23302006

YES'S COMM ENTERPRISE SDN. BHD.
Jusco Alpha Angle Shopping Centre
F06A, 1st Floor
Jalan R1 Seksyen 1
Bandar Baru Wangsa Maju
53300 Kuala Lumpur
Tel: 03-41422006

YES'S COMM ENTERPRISE SDN. BHD.
G 23 &24, Ground Floor
Maju Junction Shopping Mall
No 1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-23002006

YES'S COMM ENTERPRISE SDN. BHD.
M11, Bangi Utama Shopping Complex
No 1, Jalan Medan Bangi
(Business Park, Bangi Golf Resort)
Off Persiaran Kemajuan
Seksyen 6
43650 Bandar Baru Bangi
Selangor
Tel: 03-42922000

YS TELE SDN. BHD.
AEON Rawang Shopping Centra
Lot F-39, Mo 1, Persiaraan Anggun
Taman Anggun, Kota Emerald Rawang
48000 Rawang
Selangor
Tel: 03-26981007

NORTHERN REGION

ADVANCED SME SOLUTION PROVIDER
No 218, Jalan Bercham
31400 Ipoh
Perak
Tel: 05-5451296

ADVANCED SME SOLUTION PROVIDER
19, G/F, Jalan Ipoh
31100 Sungai Siput
Perak
Tel: 05-5988012

AIR TELECOMMUNICATION ENTERPRISE
No 34, Jalan Murni 1
Desa Murni Sungai Dua
13800 Butterworth
Pulau Pinang
Tel: 04-3565895

AST MOBILE PHONE CELULLAR
No 46, Jalan Besar
Kuala Kurau
34350 Kuala Kurau
Perak
Tel: 05-7278223

B S COMMUNICATION ENTERPRISE
No 156, Jalan Siakap
34300 Bagan Serai
Perak
Tel: 05-7217623

BK TELECOMMUNICATION
G 4 & 5, Ground Floor
Star Parade
Jalan Teluk Wanjah
05200 Alor Star
Kedah
Tel: 04-7330331

CABLEMASTER ENTERPRISE
3A-G-32 & 33, Kompleks
Bukit Jambul, Jalan Rumbia
Sg Nibong Kecil
11900 Bayan Lepas
Pulau Pinang
Tel: 04-6464068

CABLEMASTER ENTERPRISE
77-G-48
Penang Times Square
Jalan Dato Keramat
10150 Pulau Pinang
Tel: 04-2288844

CABLECOM ENTERPRISE
332G-1, Jalan Perak
Georgetown
11600 Pulau Pinang
Tel: 04-2838333

CABLECOM ENTERPRISE
Lot K, Ground Floor
Tesco Extra Sungai Dua
11700 Gelugor
Pulau Pinang
Tel: 04-5393888

CHAMP TRADING &
COMMUNICATION SYSTEMS
GF-38, Central Square
No 23, Jalan Kampung Baru
08000 Sungai Petani
Kedah
Tel: 04-4311111

CHAMP TRADING &
COMMUNICATION SYSTEMS
C66 & 67, Permatang Gedong
Taman Sejati Indah
08000 Sungai Petani
Kedah
Tel: 04-4315688

CHAMP TRADING & COMMUNICATION
SYSTEMS SDN. BHD.
Village Mall G-K-1
Jalan Lagenda
Lagenda Heights
08000 Sungai Petani
Kedah
Tel: 04-4211008

D THREE MOBILE ENTERPRISE
No 70B, Jalan Kuala Kangsar
33000 Kuala Kangsar
Perak
Tel: 05-7772582

D THREE MOBILE ENTERPRISE
No 184, Jalan Tun Saban
33300 Gerik
Perak
Tel: 05-7772582

DAILYQUICK COMMUNICATION
Lot Gol 1, Aras Bawah
Tesco Alor Star
Jalan Lebuhraya Bahiyah
05150 Alor Star
Kedah
Tel: 04-7723461

DAFCOM ENTERPRISE
Kompleks Changloon
G-11, Tingkat Bawah
06010 Changloon
Kedah
Tel: 04-9242744

E-COMMUNICATION SDN. BHD.
No 396
Jalan Besar Tun Sardon
11000 Balik Pulau
Pulau Pinang
Tel: 04-8666800

E-COMMUNICATION SDN. BHD.
288D-1-3, Fortune Court
Jalan Thean Teik
11500 Ayer Itam
Pulau Pinang
Tel: 04-8289000

EXCLUSIVE TELECOMMUNICATION
SDN. BHD.
Lot G43A, Kinta City
Shopping Centre, Jalan Teh
Lian Swee Off Jalan Sultan
Azlan Shah
31400 Ipoh
Perak
Tel: 05-5428000

EXCLUSIVE TELECOMMUNICATION
SDN. BHD.
G22, Tesco Kampar
Jalan Perdana
Taman Kampar Perdana
31900 Kampar
Perak
Tel: 05-5428000

E COM CENTRE
No 22, Jalan Mahsuri
Taman Wira Bandar
35800 Slim River
Perak
Tel: 05-4520017

EASYRING TRADING SDN. BHD.
No 8, Jalan Selampit
01000 Kangar
Perlis
Tel: 04-9776682

EASYRING TRADING SDN. BHD.
No 11, Jalan Syed Hussien
02600 Arau
Perlis
Tel: 04-9781818

FIVE STAR MOBILE ENTERPRISE
G 29, Ground Floor
Taiping Sentral
Jalan Istana Larut
34000 Taiping
Perak
Tel: 05-8053290

FIVE STAR MOBILE ENTERPRISE
No 76C, Tingkat Bawah
Jalan Tupai
34000 Taiping
Perak
Tel: 05-8062290

GENTING NORTH TELEKOMUNIKASI
Jerai Plaza, Lot 37
No 1, Taman Jerai Maju
08300 Gurun
Kedah
Tel: 04-4685001

GOLDEN EAGLE TELECOMM
ENTERPRISE
No 28 & 29, Jalan Stesyen
35000 Tapah
Perak
Tel: 05-4010828

KEDAI TELEKOMUNIKASI YU YEE
No 49, Sungai Batu
34900 Pantai Remis
Perak
Tel: 05-677 3117

KHAI SHAN ENTERPRISE
No 9, Lorong Mara
Pokok Sena
06400 Alor Star
Kedah
Tel: 04-7825654

LBL MULTI TRADING
No 1, Jalan Keruing
Kaw Perniagaan
Simpang Ampat
14100 Simpang Ampat
Pulau Pinang
Tel: 04-5681111

LSY GOLD TELECOMMUNICATION
SDN. BHD.
No 142, Ground Floor
Jalan Simpang Kuala
Bandar Baru Simpang Kuala
05400 Alor Star
Kedah
Tel: 04-7771688

MEGA-STAR ENTERPRISE
Megamall Pinang
Lot 24, Ground Floor
2828, Jalan Baru
Bandar Perai Jaya
13600 Seberang Perai Tengah
Pulau Pinang
Tel: 04-3900498

MEGA-STAR ENTERPRISE
Lot S21, 2nd Floor
Sunway Carnival Mall
3068 Jalan Todak
Seberang Jaya
13700 Prai
Pulau Pinang
Tel: 04-3900498

MEGA-STAR ENTERPRISE
No 111, Jalan Taiping
34200 Parit Buntar
Perak
Tel: 04-3900498

METRO DOTCOM SDN. BHD.
No 71, Jalan Sultan Abdul Jalil
30300 Ipoh
Perak
Tel: 05-2433288

METRO DOTCOM SDN. BHD.
No 35, Lebuh Dewangsa
31000 Batu Gajah
Perak
Tel: 05-3651688

MILLION TELE-COMMUNICATION SDN. BHD.
No 80, Jalan Kampar
30250 Ipoh
Perak
Tel: 05-2424333

MILLION TELE-COMMUNICATION SDN. BHD.
No 28, Ground Floor
Medan Sibilin
30300 Ipoh
Perak
Tel: 05-5261388

MINITEL ENTERPRISE
G-06, Jitra Mall
06000 Jitra
Kedah
Tel: 04-9163533

NETRA COMMUNICATION SDN. BHD.
No 8, Jalan Teoh Moo Soo
09000 Kulim
Kedah
Tel: 04-4901778

NORTHERN POINT CELLULAR & ACCESSORIES
G33-34, Ground Floor
Prangin Mall-Komtar
Jalan Dr Lim Chwee Leong
10100 Pulau Pinang
Tel: 04-2632929

NORTHERN POINT CELLULAR & ACCESSORIES
170-3-15, Persiaraan Gurney
3rd Floor Gurney Plaza
10250 Pulau Pinang
Tel: 04-2103232

NORTHERN POINT CELLULAR & ACCESSORIES
G-25, Aeon Seberang Prai
City Shopping Centre
Bandar Perda
14000 Bukit Mertajam
Pulau Pinang
Tel: 04-2103233

NORTHERN POINT CELLULAR & ACCESSORIES
Lot 1-2-08, Tesco Penang
No 1, Lebuh Tengku Kudin
Bandar Jelutong
11700 Gelugor, Pulau Pinang
Tel: 04-6595929

NSS AUTOMATION TRADING
27G, Jalan Intan 2
Bandar Baru Teluk Intan
36000 Teluk Intan
Perak
Tel: 05-6236439

NSS AUTOMATION TRADING
No 183, Taman Sitiawan
Maju, Jalan Lumut
32000 Sitiawan
Perak
Tel: 05-6914328

OPTIMUS ENTERPRISE
No 1205, Jalan Datuk Haji
Ahmad Badawi
13200 Kepala Batas
Pulau Pinang
Tel: 04-5780111

PHONE GLOBAL ENTERPRISE
No 136, Jalan Sukamari
06700 Pendang
Kedah
Tel: 04-7712054

POLYCALL SDN. BHD.
No 104, Jalan Pandak Mayah 5
Pekan Pandak Mayah, Kuah
07000 Langkawi
Kedah
Tel: 04-9663388

PUSAT KOMUNIKASI TM
No 13, Jalan Bunga Raya
35900 Tanjong Malim
Perak
Tel: 05-4583435

QQ KEDAI TELEKOMUNIKASI
No 13, Jalan Panggung Wayang
35500 Bidor
Perak
Tel: 05-4342233

RAYSON COMMUNICATION & TRADING
6965, Jalan Ong Yi How
12300 Butterworth
Pulau Pinang
Tel: 04-3329111

RAYSON COMMUNICATION & TRADING
1F-39, Landmark Central
Shopping Centre
No 1, Jalan KLC 1
09000 Kulim
Kedah
Tel: 04-5393888

STAPLE TRADING
No 68, Jalan Besar
31450 Menglembu
Perak
Tel: 05-2826268

SUNMERRY TOP CENTRE
No 4, Jalan Padang Matsirat
Padang Matsirat
07000 Langkawi
Kedah
Tel: 04-9668608

SUN STAR COMMUNICATION SDN. BHD.
No 23, Kedai Belakang KFC
Jalan Pasar
09100 Baling
Kedah
Tel: 04-4700199

SUPER ENTERPRISE
2A-6, Ground Floor
Jalan Gamelan Indah
Tmn Gamelan Indah
Sg Bakap
14200 Sungai Jawi
Pulau Pinang
Tel: 04-5828800

TELE-WAY ENTERPRISE
No 3742, Jalan Nuri
Taman Sentosa
14300 Nibong Tebal
Pulau Pinang
Tel: 04-5986666

WEELY ENTERPRISE
No 1824-G2
Jalan Perusahaan Highway
Auto City North South
13600 Prai
Pulau Pinang
Tel: 04-5013555

WEELY ENTERPRISE
No 3086, Jalan Rozhan
Pusat Perniagaan
Taman Rozhan
14000 Bukit Mertajam
Pulau Pinang
Tel: 04-5541555

WEELY ENTERPRISE
No 1385, Ground Floor
Jalan Padang Lallang
Taman Mutiara
14000 Bukit Mertajam
Pulau Pinang
Tel: 04-5381828

WW TELE COMMUNICATION ENTERPRISE
No 6, Jalan Besar
Cameron Highlands
39000 Tanah Rata
Pahang
Tel: 05-4915733

YTS ENTERPRISE
Lot No F24, First Floor
C/O Tesco Manjung
Lot 16051 Mukim Setiawan
32040 Seri Manjung
Perak
Tel: 05-6913212

EAST COAST

ACETECH MARKETING
No 48, Jalan Tun Razak
27600 Raub
Pahang
Tel: 09-3552992

AZ PERMATA NETWORK
No 1, Bangunan 36 Unit
Nadi Kota
26400 Bandar Pusat Jengka
Pahang
Tel: 09-4676845

CELLCORP SDN. BHD.
Lot F/L 2A.7, Level T2A
First World Hotel
Genting Highlands Resort
69000 Genting Highlands
Pahang
Tel: 03-64362118

DTECH TELECOMMUNICATION & ACCESSORY
MPKT 2256-K
Bangunan SEDC
Depan Pasir Manir
21200 Kuala Terengganu
Terengganu
Tel: 09-6154305

EXTRA CLEAR TELECOMMUNICATION
No 71, Jalan Ah Peng
28700 Bentong
Pahang
Tel: 09-2232854

FONPOINT ENTERPRISE
PT 453, Jalan Tasek
17500 Tanah Merah
Kelantan
Tel: 09-7900627

FONPOINT FONCARE ENTERPRISE SDN. BHD.
No 2.23A, KB Mall
Jalan Hamzah
15050 Kota Bharu
Kelantan
Tel: 09-7477577

GM TELESHOP & TRADING
PT 8338, Taman Wangsa Mewangi
Bandar Baru Gua Musang
18300 Gua Musang
Kelantan
Tel: 09-9120080

HBO MARKETING
Depan Bank Muamalat
Jln Kuala Krai
Batu 15, Kok Lanas
16450 Ketereh
Kelantan
Tel: 09-7889888

IMPACT TEL ENTERPRISE
No 68, Jalan Besar
27200 Kuala Lipis
Pahang
Tel: 09-3121088

KG LOW TRADING
No 2, Jalan Haji Kassim
Mentakab
28400 Mentakab
Pahang
Tel: 09-2778012

KG LOW TRADING
B306, Jalan Berserah
25300 Kuantan
Pahang
Tel: 09-5667900

KM DUNGUN CENTRE
Lot 9995, Bangunan Sura Gate
Business Centre
23000 Dungun, Tereng
Terengganu
Tel: 012-9620944

LAN PTR ENTERPRISE
No 2, Depan Bank Islam
Seksyen 1
16800 Pasir Puteh
Kelantan
Tel: 09-7866668

LIFETIME NETWORK
Lot 803 L, Simpang 3
Pengkalan Chepa
16100 Kota Bharu
Kelantan
Tel: 09-7745526

LIFETIME NETWORK
PT1719, Jalan Raja Perempuan Zainab 2
Bandar Baru Kubang Kerian
16150 Kota Bharu
Kelantan
Tel: 09-7460202

L.P COM SALES & SERVICE
201-A, Jalan Sultan Zainal Abidin
20000 Kuala Terengganu
Terengganu
Tel: 09-6239339

MF TELE STATION
Lot G.03, Ground Floor
Berjaya Permai Megamall
25000 Kuantan
Pahang
Tel: 09-5161771

RAH TELE SERVICE ENTERPRISE
B18, Lorong 1M 5/2
Bandar Indera Mahkota
25200 Kuantan
Pahang
Tel: 09-5738489

SIDI TELEKOMUNIKASI
Lot 16133/A, Jalan Tengku Ampuan
Intan Zahara
Gong Badak
21300 Kuala Terengganu
Terengganu
Tel: 012-9685252

SPEED COMMUNICATIONS CENTRE
No 6, Jalan Tun Ismail
25000 Kuantan
Pahang
Tel: 09-5138128

SPEED COMMUNICATIONS CENTRE
Lot G39, Ground Floor
Kuantan Parade
Jalan Haji Abdul Rahman
25000 Kuantan
Pahang
Tel: 09-5138128

SPEED COMMUNICATIONS CENTRE
East Coast Mall
Lot No L2-40, Jalan Putra Square 6
Putra Square
25200 Kuantan
Pahang
Tel: 09-5138128

SPEED COMMUNICATIONS CENTRE
B8 (A), Lot 5197, Jalan Tanah Putih
Seksyen 124, Mukim Kuantan
25150 Kuantan
Pahang
Tel: 012-9379128

TAKACOM CELLULAR SDN. BHD.
No 49, Jln Ahmad Shah 1
Lurah Temerloh
28000 Temerloh
Pahang
Tel: 012-3993322

TCT SALES & SERVICES SDN. BHD.
Kcp 43, Kemaman Centre Point Fasa 1
Jalan Limbong
24000 Cukai, Terengganu
Terengganu
Tel: 012-9833339

THE ONE MOBILE SDN. BHD.
G-18 & G-19
Giant Hypermarket
21100 Kuala Terengganu
Terengganu
Tel: 09-2901818

SOUTHERN

ASIATEL TECHNOLOGY SDN. BHD.
No 1, Jln Sialang
84900 Tangkak
Johor
Tel: 06-9788877

B JAYA TELECOMMUNICATIONS
SU 1441, Jalan Masjid Tanah Ria Utama
Taman Masjid Tanah Ria
78300 Masjid Tanah
Melaka
Tel: 06-3845005

CINITRON (M) SDN. BHD.
10,Jalan Dato Rauf
86000 Kluang
Johor
Tel: 07-7768222

CINITRON (M) SDN BHD
166, Jalan Besar
83700 Yong Peng
Johor
Tel: 07-4677611

CINITRON (M) SDN. BHD.
No 589, Jalan Mersing
Kluang Baru
86000 Kluang
Johor
Tel: 07-7711919

COMPU-COMM HOLDINGS SDN. BHD.
Lot No.7 Ground Floor
Tesco Melaka
No.1 Jalan Tun Abdul Razak
Melaka
Tel: 012-2112003

COSMOS COMMUNICATIONS
No 97-3, Jalan Rahmat
83000 Batu Pahat
Johor
Tel: 07-4383000

DENWAKI TRADING
No 60, Jalan Tengah
Bukit Bakri
84200 Muar
Johor
Tel: 06-9868687

FRIENDSHIP MOBILE SOLUTION
SDN. BHD.
40, Jalan Perwira 1
Taman Ungku Tun Aminah
81300 Johor Bahru
Johor
Tel: 07-5565911

GALAXY PHONE (M) SDN. BHD.
A9, Giant Hypermarket Tampoi
Lot 54, Jalan Skudai, Tampoi
81200 Johor Bahru
Johor
Tel: 07-3326393

G-ONE COMMUNICATION SDN. BHD.
No 7, Jalan Suria 3
Bandar Baru Seri Alam
81750 Masai
Johor
Tel: 07-2526733

INCOMM MARKETING SDN. BHD.
S48, 2nd Floor
Jusco Aeon Shopping Centre
Taman Bukit Indah
81200 Johor Bahru
Johor
Tel: 07-2328815

INCOMM MARKETING SDN. BHD.
No 151, Jalan Sutera
Taman Sentosa
80150 Johor Bahru
Johor
Tel: 07-3338555

INCOMM MARKETING SDN. BHD.
F47, Jusco Seremban 2
Shopping Centre
70300 Seremban
Negeri Sembilan
Tel: 06-6017601

LE VANTAGE CELLULAR COMM
SDN. BHD.
G43, Ground Floor
Tesco Desa Tebrau
H.S (D) 439286, Lot PTD
140212 Mukim Tebrau
81100 Johor Bahru
Johor
Tel: 07-3578728

LE VANTAGE CELLULAR COMM
SDN. BHD.
No 9, Jalan Permas 10/1
Bandar Baru Permas Jaya
81100 Johor Bahru
Johor
Tel: 07-3863086

LT PHONE CENTRE
No 78, Jalan Omar, Muar
84150 Parit Jawa
Johor
Tel: 06-9873115

MIX MOBILE TELECOMMUNICATIONS
(M) SDN. BHD.
No 10, Jalan Delima Raya 1
Taman Delima Raya
Bukit Baru
75150 Melaka
Tel: 06-2311311

MIX MOBILE TELECOMMUNICATIONS
(M) SDN. BHD.
No 1956, Jalan Besar
Tampin Pos
73000 Tampin
Negeri Sembilan
Tel: 06-4413282

M TEL MOBILE & SERVICES
No 18, Jalan Dedap 20
Taman Johor Jaya
81100 Johor Bahru
Johor
Tel: 07-3513135

MU COMMUNICATIONS CENTRE
SH47, Jalan Besar
81500 Pekan Nenas
Johor
Tel: 07-6992131

NANG HONG COMM SDN. BHD.
No 129, Jalan Dato' Bandar Tunggal
70000 Seremban
Negeri Sembilan
Tel: 06-7676555

NANG HONG COMM SDN. BHD.
PT 7458(G), Jalan BBN 1/1A
Putra Point Phase 1
71800 Nilai
Negeri Sembilan
Tel: 06-7991999

NET TWO COMMUNICATIONS
No 10, Jalan Kasih 1
Taman Kasih
86200 Simpang Rengam
Johor
Tel: 07-7555522

ONE O ONE DIGITAL STATION
No 62, Jalan Besar
72100 Bahau
Negeri Sembilan
Tel: 06-4546068

ONE TWO CALL TELECOMMUNICATIONS
Lot G15, Ground Floor
Kompleks Melaka Mall
Leboh Ayer Keroh
75450 Air Keroh
Melaka
Tel: 06-2324333

PD TELE-ZONE
No 37, Raja Aman Shah
71000 Port Dickson
Negeri Sembilan
Tel: 06-6464696

SEGAMAT TIAN HUAT SDN. BHD.
No 1, Jalan Batu Anam
73400 Gemas
Negeri Sembilan
Tel: 07-9326326

SEGAMAT TIAN HUAT SDN. BHD.
No 104, Jalan Genuang
Susur Satu
85000 Segamat
Johor
Tel: 07-9326326

SEGAMAT TIAN HUAT SDN. BHD.
No 9, Jalan Syed Abdul Kadir
Susur Satu
85000 Segamat
Johor
Tel: 07-9319139

SHINING TELECOMMUNICATION SDN. BHD.
S40, AEON Bandaraya Melaka
Shopping Centre
No 2, Jln Legenda, Tmn I-Lagenda
75400
Melaka
Tel: 07-5565911

SHINING TELECOMMUNICATION SDN. BHD.
Lot 1.23, Plaza Pelangi
Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor
Tel: 07-3330900

SHINING TELECOMMUNICATION SDN. BHD.
G63, Ground Floor, IOI Mall
Bandar Putra, Lebuh Putra
Utama Bandar Putra
81000 Kulai
Johor
Tel: 07-5985988

SHINING TELECOMMUNICATION SDN. BHD.
Lot JK2-05, Level 2
Johor Bahru City Square
80000 Johor Bahru
Johor
Tel: 07-2265911

SHINING TELECOMMUNICATION SDN. BHD.
L2-211/212, Sutera Mall
Jalan Sutera Tanjung 8/4
Taman Sutera Utama
81300 Johor Bahru
Johor
Tel: 07-5581588

SHINING TELECOMMUNICATION SDN. BHD.
Lot M41, Tesco Kulai
No 52, Tmn Desamas
Bt 221/2
Jalan Kulai Air Hitam
81000 Kulai
Johor
Tel: 07-6635455

STAR FIVE MOBILE PHONE
No 9, Jalan Bistari 4/1
Taman Yayasan
85000 Segamat
Johor
Tel: 07-9443233

STEVEN TELE-WORLD CENTRE SDN. BHD.
No 75-3, Jalan Arab
84000 Muar
Johor
Tel: 06-9542282

STEVEN TELE-WORLD CENTRE SDN. BHD.
FG-27, Ground Floor
Dataran Pahlawan
Melaka Megamall
Jalan Merdeka, Bandar Hilir
75000 Melaka
Tel: 06-2815282

SUPERIOR MOBILE SDN. BHD.
22A, Jalan Kundang 4
Taman Bukit Pasir
83000 Batu Pahat
Johor
Tel: 07-4347575

SUPERIOR MOBILE SDN. BHD.
No 2, Jalan 4
Taman Kristal 2
86400 Parit Raja
Johor
Tel: 07-4542222

SUPERIOR MOBILE (PONTIAN) SDN. BHD.
No 182, Jalan Bakek
82000 Pontian
Johor
Tel: 07-6883388

SUPERIOR MOBILE SDN. BHD.
Lot B16
Giant Plentong Hypermarket
Jalan Masai Lama
81750 Masai
Johor
Tel: 07-3517575

T & T TELECOMMUNICATIONS
No 1, Jalan Gambir 5
Bandar Baru Bukit Gambir
84800 Bukit Gambir
Johor
Tel: 06-9766012

UNI PACIFIC
46-G, Jalan TKS 7
Senawang Commercial Centre
70450 Seremban
Negeri Sembilan
Tel: 06-6781279

UTAMA MOBILEWORLD (M) SDN. BHD.
No 13, Jalan Niaga Utama
81900 Kota Tinggi
Johor
Tel: 07-8838831

UTAMA MOBILEWORLD (M) SDN. BHD.
No 19, Jalan Kebudayaan
Taman Universiti, Skudai
81300 Johor Bahru
Johor
Tel: 07-5201833

WEE SHIEN SDN. BHD.
G8, Block Dahlia Jalan Zahir
No 6, Taman Malim Jaya
75300 Melaka
Tel: 06-3358006

WEE SHIEN SDN. BHD.
No 32, Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06-2815006

WEE SHIEN SDN. BHD.
GB-01, Jalan Lingkaran MITC
Pasaraya Besar Mydin
75450 Air Keroh
Melaka
Tel: 012-3458502

WH TOP ENTERPRISE
No 31, Jalan Abu Bakar
86800 Mersing
Johor
Tel: 07-7998826

YES TELESHOP
No 47, Jalan Intan 2/2
Taman Intan
86000 Kluang
Johor
Tel: 07-7722313

SABAH

ATURFAX MARKETING & SERVICES
No 2909, Ground Floor
Jalan Perbandaran
Karim Estate
91000 Tawau
Sabah
Tel: 089-763000

CDJ TELECOMMUNICATION SERVICES
Ground Floor, Block 3
Lot 6, Bandar Indah
Mile 5, P.O.Box 1294
90714 Sandakan
Sabah
Tel: 089-273311

EVO MARKETING
Lot G38(A), Ground Floor
Kompleks Karamunsing
88300 Kota Kinabalu
Sabah
Tel: 088-272012

LABUAN PHONE SHOP SDN. BHD.
UO413, Ground Floor
Jalan Bunga Dahlia
Wilayah Persekutuan
87000 Labuan
Tel: 087-422866

MY MOBILE COMMUNICATION
SDN. BHD.
1 FA & 1 FB
1st Floor Centre Point
88000 Kota Kinabalu
Sabah
Tel: 088-447140

M WEALTH MARKETING SDN. BHD.
SP 3B, Grd Floor, City Mall
Lorong City Mall, Jln Lintas
88300 Kota Kinabalu
Sabah
Tel: 088-267388

SENSE CONCEPTS COMMUNICATION
SDN. BHD.
Lot 1C, Dekat Pejabat Pos
Grd Floor, Pekan Keningau
Jln Pasar Malam
89008 Keningau
Sabah
Tel: 087-337000

ORANGE MOBILE (M) SDN. BHD.
No 3-53-1, 3rd Floor, Suria Sabah
Shopping Mall
1 Jln Tun Fuad Stephens
88000 Kota Kinabalu
Sabah
Tel: 012-3225133

MACHANICS SDN. BHD.
No 4, Ground Floor, Block A
Inanam Town, Jalan Kiansom
88450 Kota Kinabalu
Sabah
Tel: 088-380076

MACHANICS SDN. BHD.
Lot 7, Block B Damai Plaza
Phase 3 Null
88300 Kota Kinabalu
Sabah
Tel: 088-380076

SARAWAK

STAR LINE ENTERPRISE
S-1-65, Second Floor,
Boulevard Shopping Mall
Jln Datuk Tawisli
93250 Kuching
Sarawak
Tel: 082-482252

ERITEL TELECOMMUNICATIONS CO
Ground Floor, Shop Lot 1555
No 40, Jalan Keranji,
96000 Sibu
Sarawak
Tel: 084-322446

ERITEL TELECOMMUNICATIONS
(CENTRAL PARK) SDN. BHD.
No 234, Lot 2596
Central Park Commercial
Centre, 3rd Mile
93250 Kuching
Sarawak
Tel: 082-255522

METEOR TRADING CO
G.10B, Ground Floor
Kenyalang Theatre &
Commercial Complex
Kenyalang Park
93300 Kuching
Sarawak
Tel: 082-331911

JEREMY'S MOBILE PHONE CENTRE
Lot 4229 (Sublot 54) of PARENT
3804 BTD, Ground floor
Park City Commerce Square
Phase 6, Jln Tun Ahmad Zaidi
97000 Bintulu
Sarawak
Tel: 086-332982

MY COMPUTER SHOP SALES & SERVICE
Lot 581, Ground Floor
Pelita Commercial Centre
98000 Miri
Sarawak
Tel: 085-433012

RITA AGENCY SDN. BHD.
L1-05, Dubs Comm/Office Complex
Lot 376, Section 54
93100 Kuching
Sarawak
Tel: 082-232506

TNT TELECOMMUNICATIONS
Lot 586, Ground Floor
Jalan Sekolah Off Yu Seng Rd
98000 Miri
Sarawak
Tel: 085-438731

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of MAXIS BERHAD ("the Company") will be held on Thursday, 9 May 2013 at 10.00 a.m. at the Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia for the following purposes:

AGENDA

1 To consider the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2012 and the Reports of the Directors and Auditors thereon. **Please refer to Note A**.

2 To declare a final single-tier tax-exempt dividend of 8 sen per ordinary share for the financial year ended 31 December 2012. **Resolution 1**

3 To re-elect the following Directors who retire pursuant to Article 114(1) of the Company's Articles of Association and who being eligible, have offered themselves for re-election:
 (i) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda **Resolution 2**
 (ii) Dato' Mokhzani bin Mahathir **Resolution 3**
 Please refer to Note B.

 Asgari bin Mohd Fuad Stephens who retires in accordance with Article 114 (1) of the Company's Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Fourth Annual General Meeting.

4 To re-elect the following Directors who were appointed to the Board during the year and retire pursuant to Article 121 of the Company's Articles of Association:
 (i) Alvin Michael Hew Thai Kheam (appointed on 30 August 2012) **Resolution 4**
 (ii) Krishnan Ravi Kumar (appointed on 26 November 2012) **Resolution 5**
 (iii) Dr. Ibrahim Abdulrahman H. Kadi (appointed on 26 November 2012) **Resolution 6**
 Please refer to Note B.

5 To re-appoint Messrs PricewaterhouseCoopers ("PwC") as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration. **Please refer to Note C.** **Resolution 7**

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of shareholders at the Fourth Annual General Meeting to be held on 9 May 2013, a final single-tier tax-exempt dividend of 8 sen per ordinary share for the financial year ended 31 December 2012 will be paid on 31 May 2013 to Depositors registered in the Record of Depositors at the close of business on 16 May 2013.

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

(a) shares transferred to such Depositor's securities account before 4.00 p.m. on 16 May 2013 in respect of transfers; and

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

BY ORDER OF THE BOARD

DIPAK KAUR
LS 5204
Company Secretary

11 April 2013
Kuala Lumpur

Notes:

A. This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965 (Act) and the Company's Articles of Association, the audited accounts do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

B. Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, Dato' Mokhzani bin Mahathir, Alvin Michael Hew Thai Kheam, Krishnan Ravi Kumar and Dr. Ibrahim Abdulrahman H. Kadi are standing for re-election as Directors of the Company. The Board of Directors ("the Board") has considered the assessment of the five Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The profiles of the Directors, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, Dato' Mokhzani bin Mahathir, Alvin Michael Hew Thai Kheam, Krishnan Ravi Kumar and Dr. Ibrahim Abdulrahman H. Kadi, are set out on pages 44 to 48 of the Company's Annual Report for the financial year ended 31 December 2012.

C. The Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and collectively agree that PwC meets the criteria of the adequacy of experience and resources of the firm and the person assigned to the audit as prescribed by Para 15.21 of Main Market Listing Requirements.

Proxy

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote for him/her except in the circumstances set out in notes 2 and 3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provision of section 149(1)(b) of the Act shall not apply to the Company.

2. Where a member of the Company is also a substantial shareholder (within the meaning of the Act) per the Record of Depositors, such member shall be entitled to appoint up to (but not more than) five proxies. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

4. The instrument appointing a proxy shall:
   (i) in the case of an individual, be signed by the appointor or by his/her attorney; and
   (ii in the case of a corporation, be either under its common seal or under the hand of its duly authorised attorney or officer on behalf of the corporation.

5. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

6. The instrument appointing a proxy must be deposited at the office of our Company's Share Registrar, Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. Fax copies of the duly executed form of proxy are not acceptable.

7. A proxy may vote on a show of hands and on a poll. If the form of proxy is returned without an indication as to how the proxy shall vote on any particular matter, the proxy may exercise his discretion as to whether to vote on such matter and if so, how.

8. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

9. The lodging of a form of proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decide to do so.

Members Entitled to Attend

For purposes of determining the entitlement of a member to attend the Fourth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 81(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 30 April 2013. Only a Depositor whose name appears on the General Meeting Record of Depositors as at 30 April 2013 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such Depositor's behalf.

Toll-Free Line and Email Address

A toll-free line and an email account have been set up to attend to all queries from shareholders pertaining to the form of proxy and all other matters relating to the Fourth Annual General Meeting. The toll-free number is 1800 828 001 and the email address is agm2013@maxis.com.my. These will be valid from 11 April 2013 to 16 May 2013.

FORM OF PROXY

*I/*We *NRIC (new and old)/*Passport/*Company No
(FULL NAME OF A MEMBER IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT/*CERTIFICATE OF INCORPORATION) (COMPULSORY : NEW AND OLD)

of
(ADDRESS)

telephone no. being a member of Maxis Berhad ("the Company"), hereby appoint

*NRIC/*Passport No
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of
(ADDRESS)

and/or *NRIC/*Passport No
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of
(ADDRESS)

Only in the case of a member who is a substantial shareholder/exempt authorised nominee

and/or *NRIC/*Passport No
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of
(ADDRESS)

and/or *NRIC/*Passport No
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of
(ADDRESS)

and/or *NRIC/*Passport No
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of
(ADDRESS)

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Fourth Annual General Meeting of the Company to be held on Thursday, 9 May 2013 at 10.00 a.m. at the Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia and at any adjournment thereof. *I/We indicate with an " √ " or "X" in the spaces below how *I/we wish *my/our vote to be cast:

AGENDA

1 To consider the Audited Financial Statements and the Reports of Directors and Auditors thereon

	ORDINARY RESOLUTIONS		FOR	AGAINST
2	Declaration of final dividend	(Resolution 1)		
3(i)	Re-election of Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	(Resolution 2)		
3(ii)	Re-election of Dato' Mokhzani bin Mahathir	(Resolution 3)		
4 (i)	Re-election of Alvin Michael Hew Thai Kheam	(Resolution 4)		
4 (ii)	Re-election of Krishnan Ravi Kumar	(Resolution 5)		
4 (iii)	Re-election of Dr. Ibrahim Abdulrahman H. Kadi	(Resolution 6)		
5	Re-appointment of Auditors	(Resolution 7)		

Subject to the abovestated voting instructions, *my/*our proxy may vote or abstain from voting on any resolution as *he/*she/*they may think fit.

If appointment of proxy is under hand

No. of shares held:

Securities Account No.:
(CDS Account No.) (Compulsory)

Signed by *individual member/*officer or attorney of member/*authorised nominee of

(beneficial owner)

Date :

The proportions of *my/*our holding to be represented by *my/*our proxies are as follows:

First Proxy
No. of Shares:

Percentage: %

Second Proxy
No. of Shares:

Percentage: %

If appointment of proxy is under seal

Seal

The Common Seal of
was hereto affixed in accordance with its Articles of Association in the presence of:

No. of shares held:

Director *Director/*Secretary

Securities Account No.:
(CDS Account No.) (Compulsory)

in its capacity as *member/*attorney of member/ *authorised nominee of

Date :

(beneficial owner)

Only in the case of a member who is a substantial shareholder/ exempt authorised nominee

The proportions of *my/*our holding to be represented by *my/*our proxies are as follows:

Third Proxy
No. of Shares:

Percentage: %

Fourth Proxy
No. of Shares:

Percentage: %

Fifth Proxy
No. of Shares:

Percentage: %

Notes to form of proxy:

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3. Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
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* delete if inappropriate

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Maxis Berhad (867573-A)

STAMP

Maxis Berhad
c/o Symphony Share Registrars Sdn Bhd 378993-D
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor
Malaysia

fold here

maxis

Maxis Berhad (867573-A)
Level 18, Menara Maxis, Kuala Lumpur City Centre, Off Jalan Ampang, 50088 Kuala Lumpur
maxis.com.my