



This is my inaugural Chairman's Statement to shareholders since my appointment in 2021, and I am pleased to report that the Maxis Group has made good progress in delivering on the strategy and outlook set out to shareholders.

The world continued to experience a challenging environment a year after COVID-19 hit global markets in 2020. The extension of the Movement Control Order (MCO) and its ensuing lockdowns placed more strains on citizens and businesses alike, while our economy continued to endure the deflationary pressures of contracting demand. There was, however, a marked difference in 2021 as Malaysia displayed signs of tenacity and an acceleration in digitalisation. It is clear that there has been a seismic shift that has changed the way we live, work and connect with each other.

Consumers and businesses have adapted to the new normal through varying degrees of digital adoption. Businesses that began their digital transformation journeys in 2020 are reaping the benefits of digital channels, tools and technologies. Throughout this entire period, the role that connectivity infrastructure plays in powering the digital revolution has never been more critical.

At Maxis, we have been committed to investing in our national communications infrastructure, to bring the best in 4G, 5G and fibre technologies to our customers. Working together with the Malaysian Communications and Multimedia Commission (MCMC), we have supported the Jalinan Digital Negara (JENDELA) initiative to provide wider coverage and higher-quality of broadband experience for the Rakyat. We have also committed to supporting MyDIGITAL, the national initiative launched by the government to transform Malaysia into a digitally-driven, high-income nation.

Our converged solutions and digital-first strategies have held us in good stead as we reported stable earnings and strong market traction for our products and services. I want to recognise the Board's wisdom, agility and decisiveness in responding to the volatile environment, while striking a balance between mitigating risks and



maximising opportunities. In addition to safeguarding the short-, medium- and long-term health of the organisation, the Board and I are committed to ensuring strong corporate governance to align the interests of all stakeholders for greater sustainability and financial viability.

YEAR IN REVIEW

During the first half of the year, businesses, especially micro, small and medium enterprises (MSMEs), had to overcome the ripple effects of the pandemic. The second half of the year saw significant reductions in the number of daily cases as the Rakyat began to adapt to the new norms and government SOPs. The national vaccination programme also began to bear results in the reduction of serious cases. Most of the country entered Phase 4 of the National Recovery Plan by Q4 of 2021, which saw the resumption of most economic and social activities.

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Despite the difficult external environment that persisted throughout the year, Maxis maintained a strong financial position thanks to sound financial stewardship. We continuously strive to maximise sustainable shareholder value and based on our performance, the Board has declared a total dividend of 17 sen per share with a total payout of RM1.33 billion.

Maxis' long-term strategy, or MAX Plan, has placed us on the right trajectory for growth and industry leadership. The focus of the strategy is to strengthen our core value propositions across all customer segments, from

consumers to businesses. The value creation plan has always been centred on our purpose of bringing together the best technologies to enable individuals, businesses and the nation to stay ahead in a changing world.

The sustainability movement gained more traction in the last year, especially in the lead-up to the United Nations Climate Change Conference summit (COP26), and Maxis continued to accelerate efforts to be more sustainable in its business practices when engaging with all stakeholders, connecting the unconnected, and in working towards carbon neutrality in network and operations.





**CORPORATE RESPONSIBILITY**

As Malaysia's leading converged solutions company, we are extremely cognisant of the responsibilities that come with corporate citizenship and remain committed to our 1% profit before tax (PBT) pledge for corporate social responsibility. We redoubled our efforts to ensure that communities facing hardship were supported through our corporate responsibility outreach programmes.

During the year, Maxis supported communities impacted by floods and the pandemic with food aid, while initiatives during the festive seasons also focused on pandemic-related support, with aid distributed in particular to B40 families. We also responded to calls for financial aid and sponsorship in support of the national vaccination programme, working with various NGOs.

With education at the core of our corporate responsibility efforts, our flagship community programme, eKelas, continues to grow with more than 50,000 students,

including those from over 600 schools who are now connecting with the programme through the eKelas portal. In 2021, we launched the first eKelas mobile app, giving students, teachers and parents greater flexibility and convenience when accessing content on-the-go and beyond the eKelas portal. The app offers more than 3,000 curated bite-sized units of content across English, Mathematics and Science.

In 2021, we launched eKelas Usahawan, a programme to empower women entrepreneurs to build a stronger digital presence so they can grow their business and expand income opportunities. To date, we have already helped train more than 1,000 women entrepreneurs.

Meanwhile, we have committed to providing greater access to devices, by contributing devices to schools under the #MyBaikHati programme. We have also, together with the telecommunications industry, provided free data and connectivity packages under several government initiatives.



**FUTURE OUTLOOK**

The global economic outlook is expected to be soft in the short and medium term, as a result of the uncertainty arising from the ongoing pandemic. This will undoubtedly have some effect on the Malaysian economy, although the domestic outlook remains cautiously optimistic seeing that economic activity has resumed and our national vaccination rate is high. The telecommunications sector has a natural resiliency given the essential nature of connectivity in this modern digital age. The silver lining is that this pandemic continues to accelerate digital adoption in our country, especially among Malaysian businesses that now see this as key to their business growth and sustainability.

The journey towards becoming a digital-first company is heavily dependent on our ability to attract the best talent. One of the tenets of the MAX Plan is the talent equation. As Malaysia's leading converged solutions provider, we are in a position to raise the bar in being an exemplary employer. Our people are already aligned with and committed to our strategy and understand the importance of being agile and innovative as we strive to stay ahead in an increasingly dynamic telco landscape. Our human capital plan is robust in its focus on accelerating the mindsets and capabilities of our workforce – present and future. We are committed to attracting and nurturing many talented individuals who will continue to champion 'the MaxisWay', so that they can play their part in contributing to the nation's digital agenda.

As Maxis goes forward, the Board, Management Team and employees are resolute in value creation. Our customers expect more and more from our network and we will strive to provide best-in-class technologies and digital services.

Aside from the financial goals of the Company, Maxis is also committed to building a more sustainable company that aspires to the best practices of Environmental, Social and Governance (ESG) in all that we do. We are inspired by the global ESG movement's strong call to action, which highlights climate change as an existential threat to the entire planet, and we have a responsibility to take bolder steps to reduce our carbon footprint in our operations. In addition to environmental sustainability, we are looking at social and governance sustainability to build business resiliency and secure the long-term viability of our Company. Maxis is working towards developing a comprehensive ESG strategy that will amplify our existing sustainability initiatives and drive us forward as a key nation-building partner to contribute more to our communities, planet and people. Our stakeholders expect nothing less and we will strive to deliver.

We remain in compliance with Bursa Malaysia's Listing Requirements, committed to the Malaysian Code on Corporate Governance 2021 and continuously strengthen our existing policies and procedures on bribery and corruption with the Maxis Anti-Bribery and Corruption system, based on the Guidelines on Adequate Procedures issued by the Prime Minister's Department. The Board annually endorses an Integrity Pledge which sets out our stance against bribery and corruption. We have a commitment to conducting business professionally, ethically, with the highest standards of integrity and in compliance with all anti-bribery and corruption laws, and applicable governance requirements.

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**ACKNOWLEDGEMENTS**

I would first like to acknowledge the frontliners across the nation who have been tirelessly battling this pandemic for almost two years now. Their unwavering efforts and sacrifices have resulted in the continuing success of the National Recovery Plan and given hope to the *Rakyat* that Malaysia will emerge stronger and more resilient. We are eternally grateful to those who serve on the medical front lines, those who maintain law and order and those who keep our essential services and economy running.

Our employees are our most valuable asset, and we see this every day as they engage with our customers, keep the network running and work towards delivering our brand purpose. On behalf of the Board, I would like to thank each and every one of them for their dedication, hard work and 'What's Possible' mindset throughout the year.

Our special appreciation goes out to the Ministry of Communications and Multimedia (KKMM) and the Malaysian Communications and Multimedia Commission (MCMC) for their stewardship of the telecommunications sector. The regulatory framework that they have in place and their continuous stakeholder engagement bode well for the growth and development of the industry.

To our shareholders, thank you for your continued confidence in us as we execute our strategy to take Maxis forward. We are confident that the growth strategy we have put in place will keep us competitive and relevant in an increasingly competitive market, which augurs well for the maximisation of shareholder and stakeholder value.

Maxis' customers continue to support us year in and year out and we are humbled by their loyalty. The team at Maxis works tirelessly with them in mind. We want to thank our business partners who share our ambitions and vision of being the No. 1 technology partner, especially to our enterprise customers.

We have truly benefited from the shared wisdom of my fellow Board colleagues' guidance and contribution.

Last but certainly not least, I would like to thank the Management Team, led by our CEO Gokhan Ogut. They continue to deliver on our strategy in an incredibly challenging business environment. I am confident that they are well primed and ready to lead Maxis towards our vision and to scale even greater heights in our journey to becoming a great company and a partner in nation-building.

**TAN SRI MOKHZANI BIN MAHATHIR**