INTEGRATED ANNUAL REPORT 2023

maxis

INSIDE THIS REPORT

We strive to enable individuals, families, businesses and communities to stay ahead by connecting lives via our seamless connectivity, contributing in building the future. Our Mobile, Fibre and Enterprise offerings are tailored to suit their unique lifestyle and workplace needs.

As a responsible corporate citizen, we continue to integrate sustainability into our business, creating meaningful impact towards people and the planet. Our aim is to be digitally inclusive and help our customers and communities thrive in a digital world, use innovative technology to address environmental and social challenges, and be the trusted partner that everyone wants to work with. At Maxis, we recognise that our people are our most valuable asset. Our highly engaged and empowered workforce continues to push boundaries and raise standards while serving our customers, communities and the nation.

As we enter into our next phase of growth, we continue to embody the spirit of excellence, resilience and agility in building a digital Malaysia. Together, we will create a more sustainable future for all, and become the leading integrated telco in Malaysia.

Our report can also be downloaded as a PDF file or viewed as an interactive version at https://maxis.listedcompany.com/ar23/

BASIS OF THIS REPORT

Welcome to Maxis Berhad's (Maxis) Integrated Annual Report (IAR) 2023. This report outlines our efforts in creating value for our business and stakeholders through the efficient management of our Six Capitals and deployment of key resources during the year. Our end goal is to create sustainable and impactful outcomes that aid our value creation journey.

This IAR was prepared with reference to the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework (January 2021) and communicates the information that our key stakeholders require to make an informed assessment of our performance and future prospects. We strive for full transparency and accountability in all our communications with our stakeholders.

SCOPE AND BOUNDARIES

The report covers Maxis' financial period from 1 January 2023 to 31 December 2023. It includes information pertaining to both our financial and non-financial performance and the internal and external factors that influenced it. The report covers all business operations of Maxis, including our subsidiaries, and our sustainability initiatives, which are embedded throughout the report.

REPORTING FRAMEWORKS

- IIRC's International <IR> Framework
- Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR)
- Bursa Malaysia's Sustainability Reporting Guide (3rd edition)
- United Nations Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance
- Companies Act 2016
- Global Reporting Initiative (GRI) Standards 2021
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Task Force on Climate-related Financial Disclosures (TCFD)

MATERIALITY

We have developed a strategic plan which takes into account the material matters that affect our business, as well as the risks and opportunities we have identified. Our report provides information on matters that could significantly affect our ability to create value over the short, medium and long term, as well as our outlook, and how we are addressing these matters through our various strategies.

ALIGNING OUR SUSTAINABILITY TO THE UN SDGs

In our commitment to sustainability, we mapped our sustainability efforts to the UN SDGs to support the sustainable development agenda and generate positive value for our business, the environment and our stakeholders. At Maxis, we seamlessly integrate our sustainability initiatives to provide stakeholders with a holistic understanding of our performance and impacts. This entails connecting our initiatives to specific UN SDGs and demonstrating how sustainability is embedded into our business strategy and value creation process.

ASSURANCE

Our financial statements were prepared and assured in accordance with the MFRS, IFRS and Companies Act 2016. Please refer to pages 106 to 215 for the audited financial statements and our independent auditor's report. Selected non-financial indicators were subjected to internal auditors' review.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility for the integrity of Maxis' IAR through good governance practices and internal reporting procedures. The Board has oversight of and approved the IAR on 1 April 2024. This report and our financial statements are dated 11 March 2024, except for sections where the information is specified as of 31 December 2023.

FORWARD-LOOKING STATEMENTS

This IAR contains forward-looking statements that involve known and unknown risks, uncertainties and other factors which may cause future performance, outcomes and results to differ materially from those expressed or implied in such forward-looking statements. Such forward-looking statements are based on numerous assumptions and reflect Maxis' current views with respect to future events and are not a guarantee of future performance. Readers should not place undue reliance upon such forward-looking statements as they are not an implicit or explicit guarantee of our future performance.

FEEDBACK

We welcome your feedback on our report, which is available to all stakeholders on the website: www.maxis.com.my

For further information and feedback, please contact Investor Relations at its email: ir@maxis.com.my

NAVIGATION

Our Strategy

Maxis' strategic priorities are designed to grow our core businesses - Mobile, Fibre and Enterprise and enhance customer experiences through personalised and innovative solutions. We also believe in fostering a culture of excellence and operational efficiency throughout the organisation.

Mobile Fibre Enterprise

6 Capitals

F Financial Capital	M Manufactured Capital	I Intellectual Capital
H Human Capital	SR Social & Relationship Capital	N Natural Capital

Material Matters

M1	Data Privacy & Protection	M9	Employee Development
M2	Network Quality & Coverage	M10	Equal Opportunity Workforce & Employment
M3	Customer Experience & Satisfaction	M11	Occupational Health & Safety
M4	Sustainable Business Growth	M12	Supply Chain Management
M5	Crisis Management & Response	M13	Climate Change
M6	Regulatory Compliance	M14	Environmental Management
M7	Ethical Business Practice	M15	Community Development
M8	Digital Inclusion & Innovation		

Cross References

Tells you where you can find more information online at www.maxis.com.my

Tells you where you can find more information within the report

MAXIS AT A GLANCE - 2023

FINANCIAL HIGHLIGHTS

Total Revenue
RM10.18 billion
+4.0% YoY

Service Revenue
RM8.57 billion
+2.8% YoY

CAPEX Investment
RM813 million
9.5% of Service Revenue

EBITDA
RM3.96 billion
+0.8% YoY

Adjusted EBIT
RM2.28 billion
+3.3% YoY

Dividend Per Share
16 sen

OPERATIONAL HIGHLIGHTS

>13 million customers

1. **4.9 million** Postpaid subscribers
2. **7.6 million** Prepaid subscribers
3. **>840,000** homes and businesses connected to fibre & WBB

95%
4G population coverage

>22,000 km
fibre footprint

>11,000
network sites

+68
TP-NPS

SUSTAINABILITY HIGHLIGHTS

SUSTAINABILITY SCORES

1. FTSE4Good: **2.4**
2. MSCI: **AA ESG rating**
3. Sustainalytics: **25.1 (Medium risk)**

MAXIS eKelas®

1. **2,861 schools**
   +31.0% YoY
2. **99,216 students**
   +35.9% YoY

49,879
e-waste items recycled

CORPORATE INFORMATION

Board of Directors

TAN SRI MOKHZANI BIN MAHATHIR
Chairman / Non-Executive Director

DATO' HAMIDAH NAZIADIN
Independent Non-Executive Director

ALVIN MICHAEL HEW THAI KHEAM
Senior Independent Non-Executive Director

UTHAYA KUMAR A/L K VIVEKANANDA
Independent Non-Executive Director

OOI HUEY TYNG
Independent Non-Executive Director

ONG CHU JIN ADRIAN
Independent Non-Executive Director

MAZEN AHMED M. ALJUBEIR
Non-Executive Director

MOHAMMED ABDULLAH K. ALHARBI
Non-Executive Director

ABDULAZIZ ABDULLAH M. ALGHAMDI
Non-Executive Director

LIM GHEE KEONG
Non-Executive Director

Registered Office
Maxis Berhad
[Registration No. 200901024473 (867573-A)]
Level 21, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur
Malaysia
Tel : + 603 2330 7000
Fax : + 603 2726 8946
Email : enquiries@maxis.com.my
Website : www.maxis.com.my

Share Registrar
Boardroom Share Registrars Sdn. Bhd.
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : + 603 7890 4700
Fax : + 603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com
Website : www.boardroomlimited.com

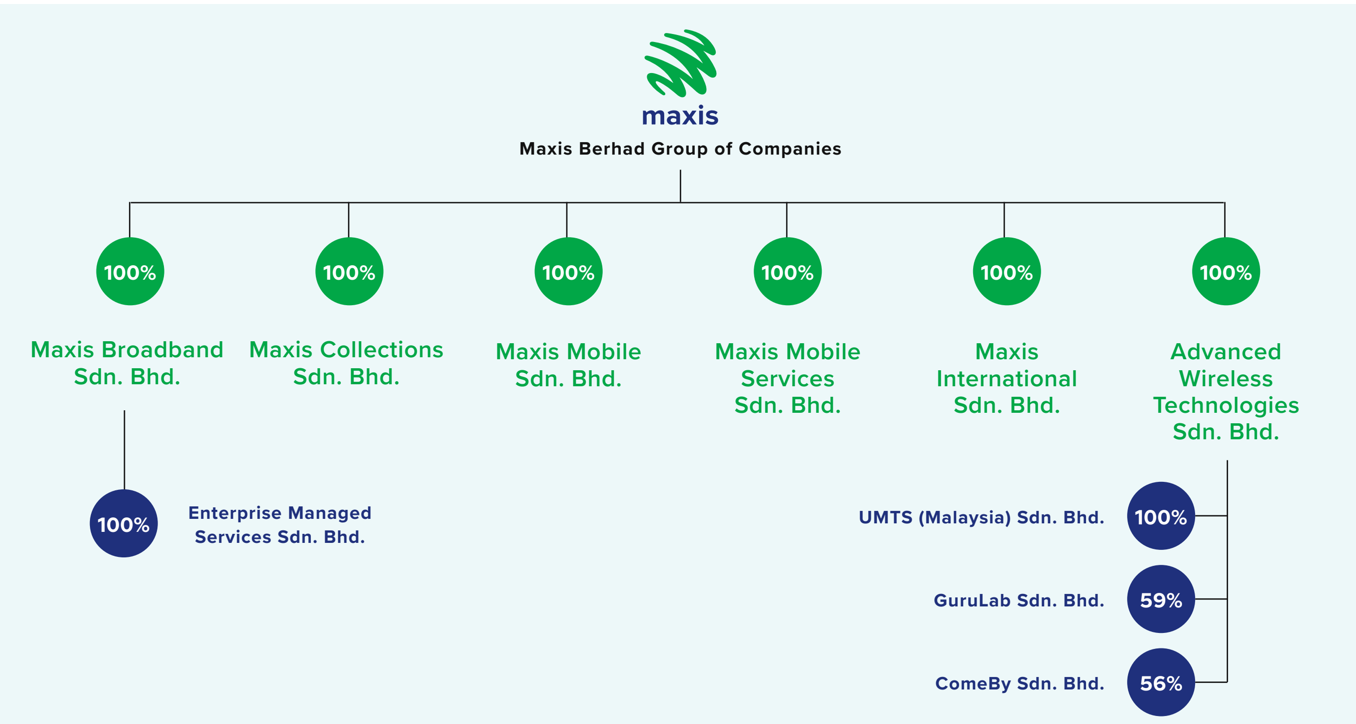
Company Secretary
Dipak Kaur
SSM PC No. 201908002620
LS 5204

Head of Internal Assurance
Shafik Azlee bin Mashar

Head of Integrity and Governance Unit
Nurirdzuana binti Ismail

GROUP CORPORATE STRUCTURE

as at 11 March 2024



CHAIRMAN'S STATEMENT

FOCUS ON THE ESSENTIALS

LEVERAGE ON OUR CORE COMPETENCIES IN CONNECTIVITY TO DELIVER ENDURING VALUE TO OUR STAKEHOLDERS

DEAR STAKEHOLDERS,

In 2023, we faced several macroeconomic challenges, such as inflation affecting operational costs and high interest rates. Malaysia's growth slowed, weighed down by weak global demand and high global interest rates. We had to navigate the fast-changing telecommunications sector landscape, which included regulatory changes to the 5G network model and service pricing, a mobile market that is near saturation, shifts in consumers' needs, as well as the consolidation of key players.

Total Dividend Payout

RM1.25
billion

Continue to deliver long-term **sustainable shareholder value and returns**

Subang Hi-Tech operations centre is the first telco network site in Malaysia to be awarded **ISO 14001:2015**

In response to these challenges posed by the uncertain and volatile operating landscape, we have gone back to basics and strengthened our core competencies in connectivity. This realignment is essential to achieve our goals and remain at the forefront as Malaysia's leading integrated telco.

The Board has declared a total dividend of 16 sen per share with a total payout of RM1.25 billion for the financial year ended 31 December 2023. Whilst we are encouraged by our management's performance, we have taken a prudent stance to reduce the dividend per share from 20 sen per share in 2022 given the aforementioned challenges. This is to ensure that Maxis continues to be resilient and consistent in delivering value to our stakeholders in the short- and long-term.

We value the long-standing support received from our shareholders and are confident that Maxis will continue to deliver long-term sustainable shareholder value and returns.

KEY ACHIEVEMENTS

Maxis has always taken pride in providing quality services to our customers. We are also committed to supporting the nation's digital ambitions by making connectivity accessible and affordable for the *rakyat*. Our focus on our core business areas – Mobile, Fibre and Enterprise – is designed to strengthen our foothold in a fiercely competitive telco sector.

This year, we refreshed our consumer mobile service offerings with new postpaid plans to take advantage of our 5G network as well as high-speed fibre plans to enhance connectivity for our customers. In the enterprise space, we continued to serve a growing number of businesses and forged new strategic partnerships to deliver cutting-edge and comprehensive enterprise solutions.

The collective effort across our businesses to establish Maxis as the leading integrated telco in Malaysia has shown tangible results in 2023 as we met the key financial performance targets we had set for ourselves, which in turn met the guidance provided to our stakeholders.

UPHOLDING GOOD CORPORATE GOVERNANCE

We are steadfast in upholding the principles of good corporate governance, recognising its fundamental importance in achieving sustainable business success and creating value for our shareholders. At Maxis Group, we operate with the highest ethical standards, adhering strictly to anti-corruption laws, policies, and regulations. Our commitment to these standards is articulated through our Maxis Integrity & Compliance framework (MICF) and our Anti-Money Laundering/Countering Financial Terrorism (AML/CFT) initiatives. The Board members are also assessed based on the Maxis Anti-Bribery and Corruption system in adherence with good corporate governance practices. These frameworks and system guide our actions and ensure that we maintain the highest level of integrity across all our operations.

Another key aspect of our governance is the composition and diversity of our Board. The Board's varied expertise, skills, and independence are pivotal in governing the Company effectively. Our Board members bring a wealth of diverse experiences and perspectives, enabling the Maxis Group to navigate the complex business landscape confidently and ethically. This diversity is not just a matter of policy but a strategic imperative that drives our decision-making processes, ensuring that we operate with integrity and responsibility.

STRENGTHENING SUSTAINABILITY PRACTICES

The Maxis Group continued to demonstrate our pledge to operating a sustainable business whilst delivering value to all our stakeholders. In 2023, we updated key policies such as the Code of Business Practice to include our commitment towards promoting sustainable practices, which apply to both Maxis' employees and third parties that engage with Maxis.

The Maxis Group has also been a leading player in the Malaysian telecommunications industry with respect to supporting the transition to a lower carbon footprint and adopting clean energy solutions. We have transitioned a portion of our fleet to electric vehicles (EVs) in our field operations. Furthermore, our Subang Hi-Tech operations centre is the first telco network site in Malaysia to be awarded the ISO 14001:2015 Environmental Management Systems certification by SIRIM QAS International. We take pride in sharing this accomplishment, highlighting our dedication and commitment towards sustainable operations and environmental management.

Another key environmental initiative this year was our e-waste management campaign in Kuala Lumpur, Johor Bahru and Penang. This programme focuses on mobile device collection and recycling, and we have successfully contributed to the refurbishment or recycling of over 49,000 devices, reducing the number of technology devices that contain toxic components from ending up in landfills.

Lastly, our eKelas® programme continues to be an integral part of the Ministry of Education's Digital Educational Learning Initiative, with a reach of over 600 schools across the nation. This initiative has greatly benefited students, teachers, and guardians who have been able to access a wide range of free learning content, which serves as a testament to our dedication to societal advancement and reflects our deep-rooted commitment to making a positive impact in the communities we serve.

OUTLOOK

Malaysia's economic growth in 2024 is expected to trend higher[1], within the region of 4-5%[2] driven by domestic spending, improvement in external demand in addition to infrastructure projects and implementation of strategic initiatives by the Government. The International Monetary Fund is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024[1].

We are cognisant of the challenges and potential upside that may arise this year and look forward to unlocking beneficial opportunities that come our way. We will continue to prioritise our focus on our core competencies in Mobile, Fibre and Enterprise. Customer experience is at the heart of our operations, and we are committed to understanding and adapting to our customers' evolving needs. Our initiatives to drive operational efficiency and strict cost discipline will ensure sustainable growth and value creation for our shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our thanks to the Maxis management team and all employees for their steadfast dedication and resilience. Your consistent efforts and commitment have played a significant role in maintaining our success, especially in challenging times.

We also extend our appreciation to our business partners, vendors and regulators for their support in Maxis' growth journey as the leading integrated telco in Malaysia. Your contributions are significant and important to our ongoing progress and success. We look forward to a successful 2024.

TAN SRI MOKHZANI BIN MAHATHIR
Chairman

Notes:
1. *BNM Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023.*
2. *Keynote Address by Deputy Governor Adnan Zaylani Mohamad Zahid at Affin Market Outlook, Menara Affin, Tun Razak Exchange (TRX), Kuala Lumpur, 30 January 2024.*

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOCUSING ON OUR CORE BUSINESSES

FOR STABLE AND CONSISTENT GROWTH

Maxis' performance in 2023 is evidence of our strategy to focus on our core businesses in Mobile, Fibre and Enterprise as the leading integrated telco in Malaysia. As I complete my first year leading Maxis, I am pleased to share our 2023 results and outlook for 2024.

Service Revenue

RM8.57
billion
Highest in five years

EBITDA

RM3.96
billion
Highest in five years

SUSTAINABLE BUSINESS GROWTH

The Malaysian telecommunications industry experienced many interesting developments and challenges in 2023. The industry underwent partial consolidation with the merger of two large players. There were changes in the regulatory environment to promote network competition and affordable connectivity to all, while rising costs and macroeconomic challenges continue to affect Malaysia. In addition, consumers' digital lifestyles continue to advance rapidly and drive a seemingly insatiable demand for data. The average data consumption from our customers has increased by 2½ times in the past five years, from 10.9GB per month in 2018 to 27.8GB per month in 2023.

The fast-changing operating environment reaffirmed our belief that to strengthen our position as Malaysia's leading integrated telco, we must excel in delivering our three core offerings - Mobile, Fibre and Enterprise. We introduced innovative product offerings tailored to diverse market segments via our Maxis and Hotlink dual-brand strategy. These included Postpaid and Prepaid plans with combined access to 4G and 5G. We also offered high-speed fibre broadband plans of up to 2Gbps to households across the country. In addition, we grew our enterprise business by anticipating and meeting the connectivity and ICT needs of our corporate and public sector customers, highlighted by our deals with BHPetrol and Johor Plantations Berhad to provide Software Defined Wide Area Network (SD-WAN) services.

As a result, total revenue for the financial year ended 31 December 2023 was RM10.18 billion, a 4% growth from 2022. Our service revenue of RM8.57 billion and earnings before interest, tax, depreciation and amortisation (EBITDA) of RM3.96 billion were the highest recorded in the past five years. I am especially pleased with our EBITDA results given the rising cost pressures and the aforementioned exponential growth in demand for data.

To ensure our long-term growth and prosperity, we have taken a disciplined and strategic approach to our capital expenditure (CAPEX). We targeted our RM813 million investment to enhance our mobile network capacity, grow our own fibre-to-the-premise footprint, and improve digitalisation across our Company. At the end of 2023, Maxis has more than 11,000 LTE sites in Malaysia covering 95% of the population and connected an additional 181,000 premises with our own fibre infrastructure.

CUSTOMER CENTRIC ENGAGEMENTS

At Maxis, we have always prioritised customer experience as it is a key differentiator in a hyper-competitive market. We continue to record a high touchpoint net promoter score (TP-NPS) of +68, thanks to the loyalty of our customers and their satisfaction with our products and services.

We believe that the best customer experience is one where we make all our processes and procedures simple for them. To that end, we have improved our Maxis and Hotlink Apps so that features such as plan upgrades, device purchases, roaming passes, and credit top-ups can be completed with as few clicks as possible. We also focused our effort on digitalising customer interactions to ensure faster, more accessible, and reliable service. Beyond our traditional voice contact centres, our customers can now reach us via WhatsApp, web self-service, and through our apps. In our fibre broadband business, we invested to increase our pool of WiFi-certified Maxperts to serve our growing fibre customers in a timely and "first-time right" manner.

OPERATING EXCELLENCE

To deliver sustainable business growth, we are committed to a culture of operating excellence where we focus on executing well and simplifying processes while maintaining strict cost discipline. In 2023, we embarked on a three-year cost optimisation programme focused on rightsizing the organisation. It is critical for us to rebase our costs so that we are well-positioned for future opportunities.

DIGITAL INITIATIVES IN 2023

IMPROVED EFFICIENCIES & PRODUCTIVITY

Digital customers onboarding:
Enabled 5G activation and change of rate plans through the Maxis App

PERSONALISED CUSTOMER EXPERIENCE THROUGH ADVANCED ANALYTICS & MACHINE LEARNING

Personalised product offerings for customers:
Built a unified 360-degree customer view and fuelled recommendation engines to predict customer satisfaction

DIFFERENTIATED CUSTOMER EXPERIENCE

Simple and pleasant customer experience:
Self-service of basic transactions and troubleshoot of home fibre network via Maxis App and MaxBot

BUILT AGILE & COMPETENT DIGITAL TALENT

>2,500 employees trained:
Skill development in areas of Digital Platform, Robotic Process Automation, Data Science and Analytics, Machine Learning, Generative AI, and Cybersecurity

OUTLOOK AND PRIORITIES FOR 2024

Looking ahead to 2024, I am highly confident that Maxis will strengthen its position as Malaysia's leading integrated telco. We will focus on growing our core businesses—Mobile, Fibre, and Enterprise—while delivering operating excellence. We will continue to develop the deep insights required to understand our customers and their needs, and to focus on simplicity to provide customers with the easiest and best experience at any of our touch points.

Our long-term goal remains firmly set on sustainable and predictable business growth. Despite the intensifying competition and ever-changing regulatory landscape, we are confident that our agility and fast response allow us to seize opportunities that may arise from these developments.

ACKNOWLEDGMENTS

I would like to extend my gratitude to all our stakeholders who have contributed to Maxis' success. I want to thank our staff members for their diligence, resilience, and commitment throughout a challenging and interesting year.

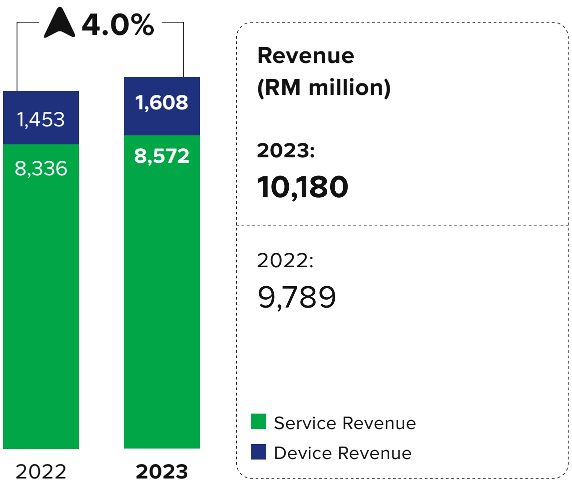
I would also like to express my equal appreciation to our shareholders, customers, partners and the communities we serve, live and work in. Thank you for your trust and belief in Maxis. I look forward to working with you as we pursue our goals and aspirations.

GOH SEOW ENG
Chief Executive Officer

FINANCIAL REVIEW

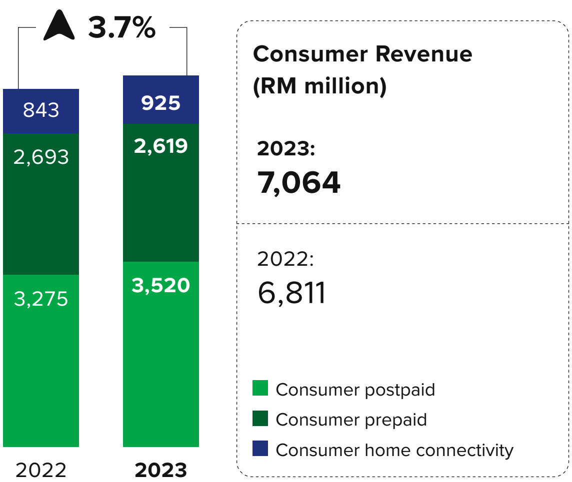
Maxis delivered a solid performance for the financial year ended 31 December 2023 (FY2023). We recorded our highest service revenue and EBITDA in five years. The Company saw strong growth across our consumer and enterprise businesses, underpinned by our strategy to focus on core competencies in connectivity to remain as Malaysia's leading integrated telco.

REVENUE



Maxis' total revenue grew by 4.0% to RM10.18 billion for FY2023, the highest since the Company was listed in 2009. The revenue growth was driven by the growth of service revenue by 2.8% to RM8.57 billion, and device revenue growth of 10.7% to RM1.61 billion. Service revenue was the highest in five years and contributed across the board by the growth in our consumer mobile and home connectivity segments, as well as the enterprise business.

CONSUMER REVENUE



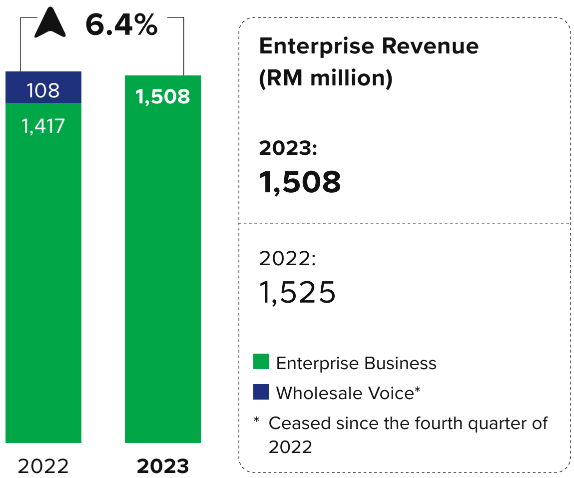
Our consumer business recorded a steady growth of 3.7% from the RM6.81 billion recorded in the financial year ended 31 December 2022 (FY2022), driven by the launch of our 5G plans and innovative postpaid and fibre convergence plans that provide seamless connectivity across both wireless and wired networks.

The postpaid segment revenue experienced a 7.5% growth compared to FY2022, while our prepaid segment revenue declined slightly by 2.7%. The prepaid market continues to be competitive and challenging. We have actively transitioned our prepaid customers to postpaid plans to enhance customer loyalty and secure more predictable and sustainable revenue growth.

Notwithstanding our prepaid to postpaid migration, we are encouraged by the growth in prepaid subscribers by 1.6% year-on-year to 5.87 million subscribers. We have actively expanded our Hotlink presence in key focus areas such as the youth segment, and under-indexed markets.

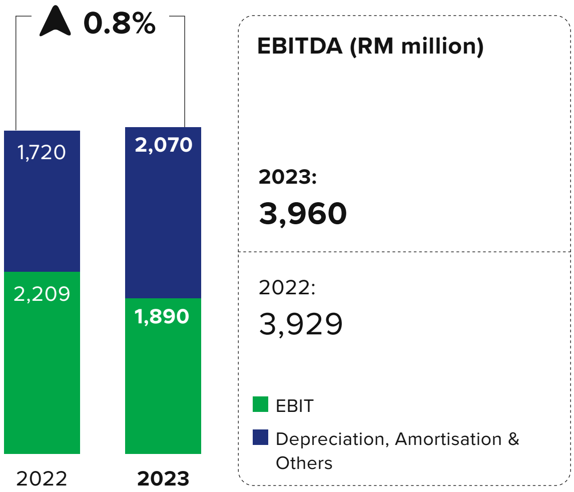
For home connectivity, we grew our fibre customers to 750,000 customers, which translated to a 9.7% growth year-on-year in home connectivity revenue. In addition, we finalised and signed the extension of the high-speed broadband agreement with Telekom Malaysia in December 2023, allowing us to access their network at reduced pricing and better committed service levels, ensuring we can offer competitive and affordable home connectivity to our customers.

ENTERPRISE REVENUE



Maxis' Enterprise division also continued to make strong headway, recording a revenue growth of 6.4% (excluding wholesale voice) in FY2023 in comparison to FY2022. We secured multi-year connectivity and solution contracts across key markets including wholesale, SME, corporate and public sector accounts during the year under review. A key highlight was our appointment by Telekom Malaysia to provide 4G Multi Operator Core Network (MOCN) and domestic roaming services for 2G and 4G. We will provide approximately 6,800 sites for the 4G MOCN and domestic roaming services and 10,000 sites for the 2G domestic roaming services.

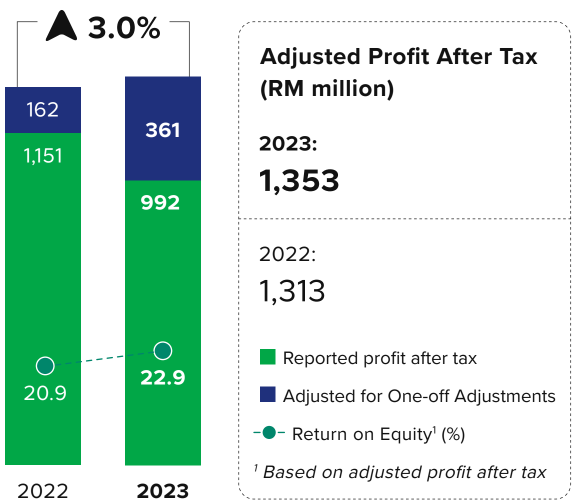
EBITDA



In 2023, we looked at simplifying processes and re-negotiating contracts to maximise operational efficiencies with the objective to cultivate a culture of strict cost discipline throughout the organisation. In line with this, we commenced a cost optimisation exercise to rightsize the organisation. As a result, Maxis recorded EBITDA of RM3.96 billion, up by 0.8% compared to FY2022, and our highest in five years.

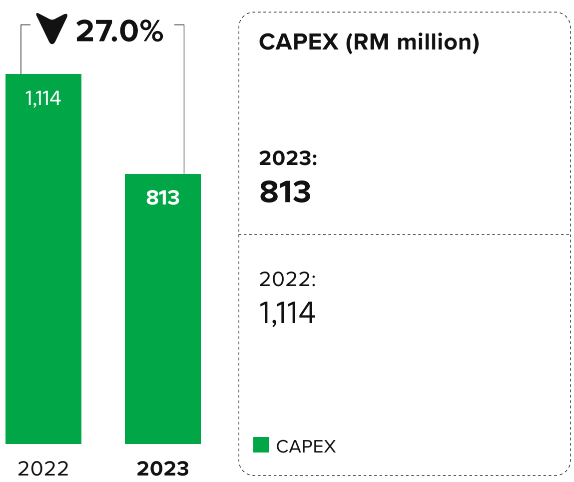
Our earnings before interest and tax (EBIT) dropped to RM1.89 billion in FY2023 as we took the prudent step to accelerate the depreciation of some of our network assets and write-off a few of other assets. Excluding the depreciation and write-offs, our adjusted EBIT was RM2.28 billion, which was a 3.3% growth compared to FY2022.

PROFIT AFTER TAX (PAT)



Maxis' PAT in FY2023 was RM992 million, which was lower than our FY2022 PAT of RM1.15 billion. The results were impacted by one-off items such as the depreciation acceleration, write-offs of assets and one-off tax settlement in FY2023, as well as the prosperity tax in FY2022. Excluding these one-off items, the adjusted PAT in FY2023 was RM1.35 billion and 3.0% higher than in FY2022.

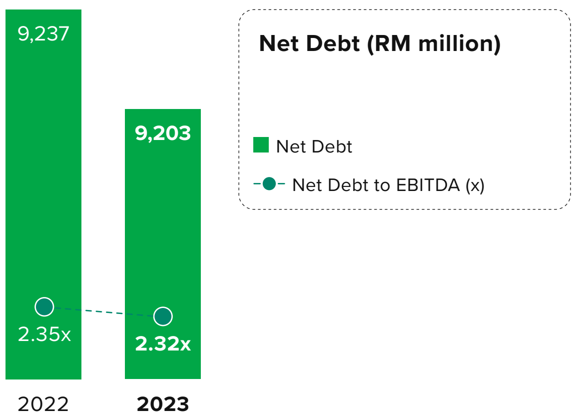
CAPEX AND CASH FLOW



Maxis invested RM813 million in CAPEX in 2023, 27% lower against FY2022 and accounting for 8% of our total revenue. We have been prudent in our investments in view of industry developments including changes to the 5G network model. Whilst we continued to spend on network-related investments, our investments were focused on supporting network capacity growth and fibre builds.

We recorded net operating cash flow of RM2.82 billion in FY2023, slightly lower than the previous year due to the one-off tax settlement and payments pursuant to the conditional share subscription agreement for the proposed investment in Digital Nasional Berhad (DNB). Nevertheless, Maxis' cash balance remained resilient at RM569 million, while Net Debt stood at RM9.20 billion, translating to a Net Debt to EBITDA ratio of 2.32x.

NET DEBT



FINANCIAL REVIEW

INVESTOR RELATIONS

Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced here for reference:

"The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial condition, the Company's distributable reserves and other factors considered relevant by the Board.

Maxis intends to adopt a dividend policy of active capital management. The Company proposes to pay dividends out of cash generated by its operations after setting aside necessary funding for network expansion and improvement and working capital needs. As part of this policy, the Company targets a payout ratio of not less than 75% of its consolidated PAT under the Malaysian Generally Accepted Accounting Standards (GAAP) in each calendar year, beginning the financial year ended 31 December 2010, subject to confirmation of the Board and to any applicable law, license and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board. Investors should note that this dividend policy merely describes the Company's present intention and shall not constitute legally binding statements in respect of the Company's future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board's discretion."

The reported PAT payout ratios in the financial years 2020, 2021, 2022 and 2023 were 96.0%, 101.8%,132.6% and 126.2% respectively.

COMMUNICATING WITH OUR SHAREHOLDERS

Maxis stands firm in our values and remains fully committed to disseminate transparent and consistent information with clarity, equal access, accuracy, timeliness and comprehensiveness on continuous updates with regard to our business operations, financial performance, key development progress, strategic direction and future plans. We actively engaged with the investment communities and other stakeholders regularly and in a timely manner throughout FY2023, in line with the recommendation of the Malaysian Code on Corporate Governance and other relevant regulatory bodies. This enabled us to better understand our shareholders' changing needs and allow them to make informed investment decisions.

The Investor Relations (IR) team is an integral part of Maxis' corporate governance initiatives. The team supports the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in their engagement efforts to cultivate strong relationships with shareholders, potential investors and other stakeholders. We pride ourselves in consistently maintaining a direct and open communication with our stakeholders and keep the market informed of all information which may have a material impact on our share price.

Our disclosure policy is based on three key principles:

1. Maintain open and regular communications with all shareholders;
2. Disseminate financial and strategic updates in a timely and transparent manner; and
3. Ensure equal treatment and protection of shareholders' interests.

We have been actively communicating with our shareholders during the year across various channels:

1. 14th Annual General Meeting and Extraordinary General Meeting

- **Engagement Dates:** 18 May 2023, 14 August 2023
- **Audience:** Shareholders and proxies
- **Meeting type:** Virtual

2. Analyst Briefings

- **Engagement Dates:** Q4 2022 – 23 February 2023, Q1 2023 – 19 May 2023, Q2 2023 – 9 August 2023 and Q3 2023 – 10 November 2023
- **Audience:** Analysts and fund managers
- **Meeting type:** Virtual

3. Investment Community Engagement

- **Engagement Date:** Throughout the year
- **Audience:** Analysts and fund managers
- **Meeting type:** Physical and virtual

4. Other communication channels

- **Website:** https://maxis.listedcompany.com/home.html
- **Email:** ir@maxis.com.my

In accordance with the Integrated Reporting Framework, we have embarked on a value creation journey to include a holistic view of our strategy, growth plans, and key risks and opportunities in order to instill confidence in our future performance.

Feedback and Enquiries
We welcome feedback on our IR initiatives and other information we have provided herewith. Further queries and requests for publicly available information, comments and suggestions to the Company can be directed to ir@maxis.com.my.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019	2023-2022 YoY Change
FINANCIAL RESULTS						
Financial Indicators (RM million)[1]						
Revenue	**10,180**	9,789	9,241	9,034	9,355	4.0%
Service revenue[2]	**8,572**	8,336	8,018	7,903	7,920	2.8%
EBITDA[3]	**3,960**	3,929	3,886	3,834	3,959	0.8%
Profit Before Tax (PBT)	**1,444**	1,802	1,772	1,859	2,053	-19.9%
Profit After Tax (PAT)	**992**	1,151	1,339	1,388	1,531	-13.8%
Profit attributable to equity holders of the Company	**993**	1,152	1,339	1,388	1,531	-13.8%
Financial Ratios[1]						
EBITDA margin (%)	**38.9%**	40.1%	42.1%	42.4%	42.3%	
EBITDA margin on service revenue (%)	**46.2%**	47.1%	48.5%	48.5%	50.0%	
PBT margin (%)	**14.2%**	18.4%	19.2%	20.6%	21.9%	
PAT margin (%)	**9.7%**	11.8%	14.5%	15.4%	16.4%	
PAT margin on service revenue (%)	**11.6%**	13.8%	16.7%	17.6%	19.3%	
Interest cover ratio	**4.0**	5.1	4.7	4.8	4.9	
Earnings per share (sen)						
- basic	**12.7**	14.7	17.1	17.7	19.6	
- fully diluted	**12.7**	14.7	17.1	17.7	19.6	
Dividends per share (sen)[4]	**16.0**	20.0	17.0	17.0	20.0	
FINANCIAL POSITION						
Financial Indicators (RM million)[1]						
Equity attributable to equity holders of the Company	**5,743**	6,089	6,475	6,434	6,379	
Total assets	**22,781**	23,045	22,443	21,932	22,323	
Total borrowings[5]	**9,772**	9,865	10,098	9,780	9,930	
Financial Ratios[1]						
Return on invested capital (%)	**8.8%**	9.5%	10.9%	11.2%	12.2%	
Return on average equity (%)	**16.8%**	18.3%	20.7%	21.7%	24.0%	
Return on average assets (%)	**5.9%**	6.5%	7.7%	8.0%	8.8%	
Gearing ratio	**1.60**	1.52	1.38	1.41	1.47	
Net assets per share attributable to equity holders of the Company (RM)	**0.73**	0.78	0.83	0.82	0.82	

Notes:
- (1) *The comparative results were restated due USP levy restatement.*
- (2) *Service revenue is defined as the Maxis Group revenue excluding sale of devices.*
- (3) *Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified assets.*
- (4) *Dividends per share consist of interim dividends declared and proposed in respect of the designated financial years.*
- (5) *Include derivative financial instruments designated for hedging relationship on borrowings.*

GROUP QUARTERLY FINANCIAL PERFORMANCE

In RM million	2023 First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2023
Revenue	2,526	2,470	2,442	2,742	**10,180**
Service revenue	2,112	2,113	2,145	2,202	**8,572**
EBITDA	972	1,002	929	1,057	**3,960**
EBIT	541	568	492	289	**1,890**
PBT	429	453	384	178	**1,444**
PAT	320	329	287	56	**992**
Profit attributable to equity holders of the Company	320	330	287	56	**993**
Earnings per share - basic (sen)	4.1	4.2	3.7	0.7	**12.7**
Dividends per share (sen)	4.0	4.0	4.0	4.0	**16.0**

In RM million	2022 First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2022
Revenue	2,406	2,424	2,405	2,554	**9,789**
Service revenue	2,030	2,084	2,108	2,114	**8,336**
EBITDA	927	1,012	1,004	986	**3,929**
EBIT	520	597	574	518	**2,209**
PBT	429	498	468	407	**1,802**
PAT	289	322	308	232	**1,151**
Profit attributable to equity holders of the Company	289	322	308	233	**1,152**
Earnings per share - basic (sen)	3.8	4.1	3.9	2.9	**14.7**
Dividends per share (sen)	5.0	5.0	5.0	5.0	**20.0**

OUR STRATEGIC PRIORITIES

In an ever-evolving digital landscape, our vision is to be Malaysia's leading integrated telco. We are committed to harnessing the power of cutting-edge technology to serve our diverse communities, businesses, and customers, ensuring they stay ahead in these changing times.

Our strategic priorities are designed to grow our core businesses by delivering unparalleled products and services, enhancing customer experiences through personalised and innovative solutions, and fostering a culture of excellence and operational efficiency. By focusing on these key areas, we aim to not only meet but exceed the expectations of our stakeholders, paving the way for a digitally empowered future for all Malaysians.

VISION **The Leading Integrated Telco in Malaysia**

PURPOSE **We exist to bring together the best of technology to help people, businesses and the nation always be ahead in a changing world**

Businesses

MOBILE

maxis hotlink

Maxis redefines mobile connectivity with its comprehensive suite of Postpaid and Prepaid plans, tailored to deliver unparalleled customer experience and exceptional value. Our innovative offerings are designed to meet the dynamic needs of our customers, ensuring connectivity, flexibility, and affordability are always within reach.

FIBRE

maxis

Maxis Fibre transforms your home into a digital living space with cutting-edge high-speed fibre plans and routers. Our packages, seamlessly integrated with the latest smart home devices, are crafted to elevate your home and living experience, ensuring every corner of your household is connected to the future.

ENTERPRISE

maxis business

Maxis Business stands at the forefront of digital innovation, offering a robust portfolio of enterprise products and ICT solutions tailored to meet the needs of all enterprises. Our commitment to empowering businesses aligns with the nation's digital aspirations, providing the foundation for growth, efficiency, and competitive advantage in an increasingly digital world.

Strategic Priorities

1
- Grow and innovate within our core businesses, ensuring we deliver quality products and services reliably to our customers

2
- Enhance our bundled offerings with holistic solutions, meticulously tailored to meet and exceed customer expectations

3
- Explore and capitalise on synergistic opportunities that enrich our customer offerings and realise significant value

4
- Leverage insights and analytics to forge deeper connections with customers to enable simple, pleasant and personalised interactions

5
- Foster a culture of high performance with a focus on operational and execution excellence

Stakeholders

- Board of Directors
- Customers
- Employees
- Government and Regulators
- Lenders
- Shareholders
- Investors
- Media
- Suppliers

OUR VALUE CREATION MODEL

The diagram below illustrates how we utilise our business capitals to create value for our business and stakeholders. Further details of the inputs and outputs of our six business capitals are explained in the following pages.

UTILISING OUR BUSINESS CAPITALS

OUR INPUTS

F **Financial Capital**
- Invested RM813 million in total CAPEX; >70% spent on network coverage and capacity growth while the remaining was spent on IT related costs
- Generated net cashflows from operating activities of RM2.82 billion
- Sufficient credit lines with Net Debt/EBITDA ratio of 2.32x as of 31 December 2023

M **Manufactured Capital**
- Built >11,000 network sites in Malaysia
- >700 upgrades and new sites/towers built for 4G
- Achieved 95% 4G LTE population coverage
- Delivered over 300 Maxis stores and 10,000 Hotlink stores
- Operate 3 major data centres in Cyberjaya, Sungai Besi and Shah Alam
- Expanded Maxis' fibre footprint to over 22,000 km, covering over 7.5 million homes and commercial premises
- First telco to build Regional Internet Hubs in Kota Kinabalu and Kuching, with direct international content connectivity
- >10,000 touchpoints provided positive omnichannel experience for customers

I **Intellectual Capital**
- Skilled technical and expert teams in all fields
- Digital self-service capabilities and Digital Care programme
- Rights, licenses, and partnerships for Consumer and Enterprise solutions
- Advanced analytics and machine learning

H **Human Capital**
- More than 3,682 Maxis colleagues serving the nation
- >98,000 training hours delivered to employees
- >300 training programmes conducted on health and safety
- 100% of operations assessed for corruption-related risks
- Organised events to guide employees on career development opportunities
- Facilitated multiple activities to embrace equal opportunity and diversity at work

SR **Social & Relationship Capital**
- >RM4.5 million spent on community investments
  - RM3.2 million invested in community initiatives
  - RM1.3 million invested in Maxis Scholarships
- >4,800 volunteering hours by employees
- Engage in dialogues and initiatives with the Government and regulatory bodies
- Engage proactively with non-governmental organisations (NGOs), learning institutions and underserved communities
- Effective management of suppliers and vendors

N **Natural Capital**
- 1,688 million MJ of energy consumed
- 43,224.6 m^3 of municipal water withdrawn
- Launched an e-waste recycling campaign to generate awareness and facilitate circularity
- Upgraded data and switch centres with deployment of on-grid solar energy systems
- Improved base station and Network Technical Operations Centres (TOC) energy consumption with various energy efficiency initiatives

PROCESS

OUR VISION

TO BE THE LEADING INTEGRATED TELCO IN MALAYSIA

by focusing on our Core Businesses and Competencies

MOBILE | FIBRE | ENTERPRISE

STRATEGIC PRIORITIES

1. Grow and innovate within our core businesses.
2. Enhance our bundled offerings with holistic solutions.
3. Explore and capitalise on synergistic opportunities.
4. Leverage insights and analytics to forge deeper connections with customers.
5. Foster a culture of high performance.

RISKS

- R1 New Business Risk
- R2 Competition Risk
- R3 Operation Risk
- R4 Network Failure Risk
- R5 Technology Risk
- R6 Data Privacy and Protection Risk
- R7 Vendor / Supply Chain Risk
- R8 Information Technology Risk
- R9 Economic Risk
- R10 People Risk
- R11 Regulatory Risk

MATERIAL MATTERS

M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15

CREATING SUSTAINABLE VALUE FOR OUR BUSINESS AND STAKEHOLDERS

Value Creation Process

- Infrastructure Investment & Innovation
- Service Offerings
- Network Coverage
- Customer Experience
- Partnerships & Collaborations
- Community and Environmental Stewardship
- Regulatory Compliance
- Data Security & Privacy

OUR OUTPUTS

F
- Quality of services improved, reflected in the 2.8% growth in Service Revenue to RM8.57 billion; and 0.8% increase in EBITDA to RM3.96 billion
- 16 sen dividend per share totalling a payout of RM1.25 billion in FY2023
- 5G plans for existing/potential customers for better speeds, lower latency and enhanced customer experience
- Timely utilisation of credit for infrastructure/network planning in providing best connectivity for stakeholders

M
As of 31 December 2023:
- >13 million customers:
  - 4.9 million postpaid
  - 7.6 million prepaid
  - >840,000 home and business connections (fibre and WBB)
- Data usage per user increased to 27.8GB per month
- 95.6% of mobile speed >3Mbps
- 80% of voice traffic conducted over Voice over LTE (VoLTE) service
- Network complaints reduced by 63% YoY
- Strong Touchpoint Net Promoter Score of +68
- 58% of the mobile traffic in East Malaysia successfully localised on the regional hubs

I
- 20% increase in digital sales
- 4.2% growth in Digital Care adoption
- 6.7% growth in online customer renewals

H
- 43% female representation in Maxis
- Employee Lost-Time Incident (LTI) Rate at 0.34
- 16 Maxis scholarships offered
- Awarded with multiple ISO 37001:2016 Anti-Bribery Management System certifications
- 0 confirmed incidence of corruption
- 518 engaged and made aware of career development and mobility policies

SR
- >27,000 SMEs benefitted from the SME Digitalisation Grant as of 2023
- Supported >99,000 students and >5,000 entrepreneurs through eKelas® and eKelas® Usahawan respectively as of 2023
- 12 training sessions on anti-bribery and corruption conducted for third parties
- 86% of vendor spending on local suppliers
- Supported vulnerable communities through humanitarian relief efforts and festive charity

N
- Total emissions of 324,116 CO_2 tonnes
- 49,879 e-waste items recycled
- 461kg of office waste recycled
- Limited increase in energy usage at network sites to 12.9% despite increase in the number of network sites resulted in lower network site emissions per site intensity, contributing to savings in electricity costs
- Reduction of greenhouse gas (GHG) intensity per site:
  - Base Transceiver Stations (BTS): -1.7%
  - TOC: -5.2%
- Subang Hi-Tech TOC first network site in Malaysia to be awarded ISO 14001:2015 Environmental Management Systems certification

OUR VALUE CREATION OUTCOMES

Creating Steady Growth of Revenue
- Improve total revenue each year to boost stakeholders' confidence and optimism in Maxis - FY2023's total revenue was the highest since listed
- Create and maximise shareholders' value in terms of dividends and capital gains

Refer to pages 8 to 10 for more information.

Growing Core Businesses
- Improve market share following the recent industry consolidation, as evident from the steady growth in mobile, home, and business customers
- Expand enterprise business via mobile and fixed solutions

Refer to pages 8 and 29 to 36 for more information.

Strengthening Customers' Experience
- Provide convergence and tailor-made solutions for customers via bundling offers
- Keep it simple for customers to do business with Maxis via our >10,000 touchpoints
- Re-double efforts on digitalisation measures with easy-to-use online platforms

Refer to pages 29 to 34 for more information.

Driving Business Excellence
- Connect the nation with winning mobile solutions
- Always at the forefront of technological innovation
- Deliver holistically connected lifestyles
- Bridge the digital divide for businesses and facilitate their digital transformation needs
- Advance towards one-stop next generation data facilities and information technology infrastructure library (ITIL), and hub for enterprise cloud and network peering

Refer to pages 29 to 36 for more information.

Delivering Sustainable Value
- Diligently manage stakeholders' data privacy and protection
- Empower our people and communities
- Embed responsible business practices
- Fair recruitment practices and embrace diversity and inclusion in workforce
- Invest in programmes to promote employee development and competencies
- Address climate change to reduce carbon footprints by embracing renewable and clean energy from solar power

Refer to pages 37 to 61 for more information.

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Refer to next page for Trade-Offs discussion.

OUR VALUE CREATION MODEL

TRADE-OFFS

F Financial Capital

We aim to achieve a balance between short-term financial interests, rewarding our shareholders and longer-term growth objectives. In preparing ourselves for the uncertainty related to the potential second 5G network, there is a need to ensure that we are prudent with our CAPEX spending and focus on selected investments so that customers' experience will not be affected. Cashflow position for FY2023 was impacted by higher overall tax payments, prepayment to Digital Nasional Berhad (DNB) for 5G access and staff optimisation costs. Excluding these one-off costs, we could have potentially rewarded our stakeholders where applicable.

We have embarked on our three-year cost optimisation journey to optimise and reduce our cost base. The first stage focused on staff rightsizing, followed by improvements in processes and systems to be more cost-efficient. There is also a need to have sufficient credit lines to manage unforeseen requirements in our operations and the environment. These initiatives are expected to generate shareholders value in the long run.

M Manufactured Capital

Our annual CAPEX and maintenance spend impact our near-term Financial Capital but enables us to expand our capacity and capabilities that will help to replenish our Financial Capital and generate significant long-term value.

Additionally, allocating Financial Capital towards Manufactured Capital will also help strengthen our customer relationships and improve our position in the market especially since we provide improved plans, better products and services, as well as enhanced connectivity.

I Intellectual Capital

Investments of Financial Capital into Intellectual Capital initiatives such as improving our digital infrastructure and operations are weighed against our financial and risk management priorities. We believe that these investments are crucial for delivering exceptional customer service whilst maintaining competitiveness in a demanding market.

H Human Capital

We prioritise our employees by investing in their development to ensure they are prepared for the future. While these investments may impact our near-term Financial Capital, they ultimately lead to more productive and higher performing employees, strengthening our Human Capital and creating long-term value for Maxis Group.

We are also aware of the current headwinds in the operating environment and the need to optimise cost for the benefit of the Group's future growth. Our decision to undertake a staff optimisation exercise is anticipated to support our Financial Capital in the long run, with the expectation of higher savings so that the excess can be allocated to other high-priority areas.

SR Social & Relationship Capital

We enhanced our community engagement efforts by investing both Financial and Human Capitals in local community projects and social initiatives, which may not yield immediate financial returns. This strategic choice might divert resources from other areas with direct financial benefits. However, by strengthening community relations and building trust, we are enhancing brand reputation, customer loyalty, and our social license to operate, thereby creating long-term value for both Maxis Group and our stakeholders.

N Natural Capital

We are committed to driving sustainable value and initiatives for the sustainability of the business and organisation in the long run. This is important for our future generation, in line with Malaysia's undertaking to achieve Carbon Neutrality by 2050. While implementing these require additional Financial Capital, we are confident that it will ultimately minimise future carbon costs and contribute to our long-term sustainability and Natural Capital effect.

OUR OPERATING CONTEXT

Maxis operates in a rapidly changing business environment, where understanding and adapting to industry trends is of paramount importance. Amidst the evolving economic landscape of Malaysia, we are committed to leveraging these shifts to better serve our consumers and businesses. Our strategic initiatives harness the opportunities arising from policies, technological advancements, and the pressing need for cybersecurity and sustainability. We are actively engaged in the rollout of 5G technology to ensure that our solutions not only meet the current demands but also anticipate future needs, reinforcing our dedication to connectivity, innovation, and making a positive impact on society.

Industry Megatrends	Impact to Maxis	Our Strategic Response	Outlook
Economic Landscape			
• Growth of the Malaysian economy moderated to 3.7% in 2023 underpinned by a challenging external environment • Bank Negara Malaysia predicts the Malaysian economy to grow between 4%-5% in 2024, supported by domestic expenditure and improvement in external demand • Inflation eased steadily throughout 2023, however downside risks remain highly subject to domestic policy on subsidies and price controls	• Reviving external demand and implementation of National Industrial Master Plan (NIMP) 2030 will bolster the manufacturing industry leading to more business opportunities • Costs of doing business to increase as weakness in Ringgit persists and interest rates elevate • Consumers will rationalise spending, especially discretionary spending as cost of living increases	• Maxis' suite of enterprise solutions supports manufacturing and industrial companies in augmenting their production capabilities • We maintained strict cost discipline and implemented a number of digital initiatives to streamline operations • We introduced a range of offerings to cater to the diverse needs of our consumer and enterprise customers	• Maxis will continue to introduce tailored products and services for every market segment to meet their connectivity needs • Maxis remains cautious of the high cost environment and will continue to exercise strict discipline in our spending and improve operational efficiency • Demand for connectivity and value-added services will remain as consumer lifestyles become increasingly digital
Government Initiatives and Regulations			
• The Government's decision to implement the rollout of 5G in Malaysia under a dual network model • The Government initiated Pakej Rahmah to provide cheaper internet options to help alleviate the rising cost of living • The implementation of a new Mandatory Standard of Access Pricing (MSAP) with lower broadband prices	• Different 5G network structure may require changes in Maxis' business model and cost structure • Introduction of new connectivity offerings at lower price points to address the needs of consumer segments	• We are actively collaborating with both the Government and telecommunications industry on the rollout of 5G to achieve the best outcome for our stakeholders • Maxis continues to innovate on products and services to meet the needs of the diverse demographic of our customers • We continue to optimise our cost model to ensure we balance the needs of customers for affordability, and the needs of shareholders for long-term value	• Cross-collaboration between Government ministries and telecommunications providers to drive the country's digital ambitions • Collective industry initiatives will ensure equitable accessibility to connectivity services for the whole population • Policies and regulations will continue to promote competition and drive innovation within the telecommunications industry

OUR OPERATING CONTEXT

Industry Megatrends	Impact to Maxis	Our Strategic Response	Outlook
Technological Advancements			
• A growing number of generative artificial intelligence (AI) tools have been developed and incorporated into business operations and consumer products • Advancements in AI, quantum computing, and edge computing alongside satellite internet technology are transforming global connectivity and data processing • 5G networks, providing increased speeds and low latency, will be employed in industrial applications and spur innovative use cases	• New generative AI tool can be used to improve existing capabilities within our IT ecosystem and workflows • We will be required to continuously invest in 5G, AI, and IoT infrastructure, to provide differentiated solutions and remain competitive • Opportunities from 5G services will arise for Maxis to deliver value-added offerings and expertise to businesses	• Maxis is evaluating the use of generative AI-based technology in our work environment • We continue to work with partners and vendors to enhance our suite of tailored solutions for our customers	• Maxis will continue to explore innovative applications of generative AI to simplify operations and increase productivity • We will continue to invest in differentiating products and solutions to enhance our customers' experiences • We foresee the digital transformation of businesses and the development of smart cities, powered by 5G and IoT
Growing Focus on Sustainability			
• The National Energy Transition Roadmap was launched comprising ten catalytic initiatives • The drive towards net-zero emissions and the use of sustainable practices are becoming central to corporate strategies, with a growing consumer demand for environmental, social and governance (ESG) compliance • The EV landscape in Malaysia is gaining momentum with the growing awareness on sustainable transportation solutions • The transition of corporates towards sustainability-linked products and services has been increasing	• Maxis is a stakeholder in the national sustainability landscape both as a user and provider in the value chain • The increasing appeal of green products and services to eco-conscious consumers will require us to explore emerging product trends • Our costs and investors' sentiments as well as corporate reputation will be increasingly linked to our sustainability performance and posture	• Maxis ran multiple initiatives to promote the reduction of e-waste and collaborated with EV industry players to accelerate the adoption of e-mobility solutions • We updated key policies to ensure our commitment to ESG matters comes through • We developed new internal processes to track sustainability-related performance metrics such as water usage and carbon emissions to better manage our use of natural resources	• Sustainability initiatives will foster long-term brand loyalty and position Maxis as a leader in green technology adoption • We will continue to enhance the transparency of sustainability disclosures surrounding our business • We foresee more stakeholders in our supply chain will further adopt sustainability practices and requirements

Industry Megatrends	Impact to Maxis	Our Strategic Response	Outlook
Cybersecurity			
• The increasing use of AI will have a significant impact on cyber defence and offense • AI fuelled attacks, automated infiltration, personalised scams and social engineering exploits will increase in both frequency and sophistication • Supply chain risks and interconnectedness of technology create additional attack vectors that could be exploited • Increasing complexities in cyber threats and the vulnerability of IoT devices highlight the need for more advanced cybersecurity measures • Governments and regulatory bodies are likely to enact stricter cybersecurity standards and data protection law	• Cyber-attacks on Maxis can cause financial losses, erode customer trust, harm brand perception and impact customer loyalty • An attack on our key partners or vendors can compromise Maxis' systems, cause data loss and/or business disruptions • Necessitates a robust cybersecurity framework to protect against sophisticated threats, underpinning customer trust and data privacy • New regulations and data privacy laws will mandate stricter security measures requiring additional investment and compliance efforts	• Maxis addresses cybersecurity risks through investment in cybersecurity measures, third-party vendor assessment, talent pipeline, and creation of a security-focused culture with metrics • We continuously build capabilities across people, process, and technology, with a focus on 5G networks, cloud, IoT, and digital infrastructure • We experiment with AI and Machine Learning to detect and respond to cyberattacks in real-time	• Maxis will continue to invest in technology to ensure cyber resiliency, focusing on data protection, cloud, APIs, IoT, and 5G • We will continue to refine our risk management programme to assess internal and external cybersecurity posture • We will continue to provide input on privacy and cybersecurity regulations in forums organised by regulators and agencies • We anticipate the emergence of AI-driven security technologies for pre-emptive threat detection, ensuring the safety and reliability of digital ecosystems

ENGAGING WITH OUR STAKEHOLDERS

In order to better understand concerns and emerging priorities of our key stakeholders, we engage regularly with both our internal and external stakeholder groups in our operations. Maxis' response in addressing the key expectations from our stakeholders is summarised as follows:

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
Board of Directors	• Internal/External meetings • General Meetings (AGM and EGM) • Board effectiveness evaluation • Group events/activities • Site visits **Frequency:** Annually, Quarterly, Monthly, Weekly, Daily	• Sustainable business & financial performance • Strategic priorities and vision of the Group, in meeting expectations of shareholders • Robust data governance & data handling practices • Ethical business practices throughout the value chain	• Regular engagement with Directors and management of the Group regarding financial and non-financial performance, strategic priorities and growth strategies • Develop a long-term sustainability strategy • Integrate ethical considerations and implement data governance frameworks in all aspects of the business
Employees	• Internal/External meetings • Conferences/Forums/Seminars • Company events/activities • Site visits/Audits • Company intranet/newsletter • Internal surveys and feedback • AGM/EGM **Frequency:** Annually, Quarterly, Monthly, Weekly, Daily	• Opportunities for professional development and growth • Transparency and open communication • Promote employee wellbeing and safety • Ethical conduct and fair treatment	• Offer training and resources to equip employees with the right skills & knowledge • Cultivate the culture of an outcome-oriented, high performing organisation • Establish regular townhalls within divisions and amongst senior leadership teams, to align employees with the overall Company strategy • Provide wellbeing support, promote work life balance and upholding safety standards • Establish clear policies to ensure fair treatment to all employees
Suppliers	• Company website (including annual reports/financial reports) • Internal/External meetings • External surveys and feedback (i.e. customer survey, customer complaint channel) **Frequency:** Daily	• Transparency on sustainable and fair procurement practices • Collaboration and support for sustainable practices • Environmental responsibility and climate action • Anti-bribery and anti-corruption (ABAC)	• Communicate Maxis' procurement criteria and expectations to the suppliers • Continuous collaboration with key suppliers and business partners on technological innovation, including those that promotes energy efficiencies • Implement eco-friendly business practices to minimise environmental footprint where possible • Conduct ABAC training for suppliers
Customers	• Customer touchpoints • External surveys and feedback (i.e. customer survey, customer complaint channel) • Internal/External meetings • Conferences/Forums/Seminars • Company events/activities **Frequency:** Quarterly, Monthly, Weekly, Daily	• Reliable and consistent network coverage • Transparency in billing and service offerings • Support digital inclusion • Ethical customer service and responsible business practices • Robust data privacy and security measures • Sustainable network management	• Improve network coverage and provide quality connectivity experience • Communicate detailed breakdown of charges and fees in transparent manner • Introduce affordable data plans and mobile broadband packages • Implement strong data security measures and regular audits • Invest in renewable technologies to operate network infrastructures

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
Government and Regulators	• Internal/External meetings • Conferences/Forums/Seminars • Company events/activities **Frequency:** Annually, Quarterly, Monthly, Weekly	• Accessible and affordable products and services • Improved connectivity in coverage and quality of service, to reduce the digital divide • Enhanced data protection and cybersecurity capabilities to safeguard customer data • Strong corporate governance and ethics	• Expand and enhance network infrastructure, including connectivity in rural areas • Offer innovative and affordable products and services • Invest in digital technologies to strengthen data protection and cybersecurity capabilities • Active engagements with regulators and relevant government bodies to discuss and collaborate on pressing matters
Shareholders/ Investors/ Analysts	• Company website (including newsroom links/annual reports/reports/financial reports) • Analyst briefings • AGM/EGM • Conferences/Forums/ Seminars • Company events/activities • Announcements to Bursa Securities **Frequency:** Annually, Quarterly, Monthly	• Communication of the Group's corporate and ESG strategies, outlook and priorities • Regular reporting of financial and business performances • Fair return on investments	• Timely engagements to discuss the Group's strategic priorities and outlook • Transparency in disclosures and reporting of financial and business performances
Media	• Company website (including newsroom links/annual reports/reports/financial reports) • Company events/activities **Frequency:** Quarterly, Monthly, Weekly	• Sharing of factual and accurate information on Group news, products and services • Responsive and transparent on issues and industry topics • Provision of reliable, secure and affordable connectivity • Accessible and regular media engagement	• Regular media engagement to provide updates on the Group's strategy, priorities, performance, corporate social responsibility (CSR) activities, products and services • Addressing ad hoc media queries, as and when required
Lenders/ Financiers	• Internal/External meetings • Analyst briefings **Frequency:** Quarterly, Monthly	• Regular sharing of accurate information on the Group's financial and business performance • Responsive and transparent on issues affecting the Group and the Malaysian telecommunications industry	• Communicate financial and operational performance regularly • Strengthen governance policies, standards and frameworks on ABAC • Conduct supply chain monitoring on vendor integrity

OUR TOP MATERIAL MATTERS

At Maxis, our material matters are crucial as they enable us to focus our efforts on the most significant economic, environmental, social and governance (EESG) impacts related to our operations. This approach not only aligns with stakeholders' expectations but also enhances transparency and accountability. By addressing these key areas, we can effectively manage risks, capitalise on growth opportunities and make positive contributions to sustainable development, thereby bolstering our reputation and competitive edge in the marketplace.

Our material matters are determined through comprehensive materiality assessments, involving both internal and external stakeholders to gain valuable insights into the sustainability issues that are important to our Company and stakeholders. Our approach involves evaluating and prioritising material topics based on their impact and importance to our business and stakeholders. This enables us to focus our resources and initiatives to address the most crucial aspects of sustainability.

Our materiality assessment process is depicted below:

Phase 1:
Define Purpose and Scope

Define what materiality means for the organisation while considering the target audience and objectives

Phase 2:
Identify Potential Topics

Create an extensive list of potential material topics relevant to the organisation

Phase 3:
Categorise

Refine the list of potential material topics by clustering them into categories

Phase 4:
Gather Information About the Impact and Importance of Topics

Explore each material topic in detail to understand its relevance to the organisation and its stakeholders

Phase 5:
Prioritise

Prioritise material topics based on the strategic importance to the business, stakeholders and the social, economic and environmental impact of each topic in the value chain

Phase 6:
Engage Management

Test the results of the materiality assessment with key internal audiences to validate the outcome

Phase 7:
Seek Stakeholder Feedback

Follow up with stakeholders to get feedback on the material topics reported

In 2023, we conducted a desktop validation exercise to ensure that our material matters were relevant and aligned with our current business needs and stakeholders' expectations. This process involved aligning our material matters against those of our peers as well as local and international frameworks, including Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), Sustainability Accounting Standards Board, Global Reporting Initiative Standards and the 2023 update of the Global System for Mobile Communications Association (GSMA) material sustainability issues for the mobile sector.

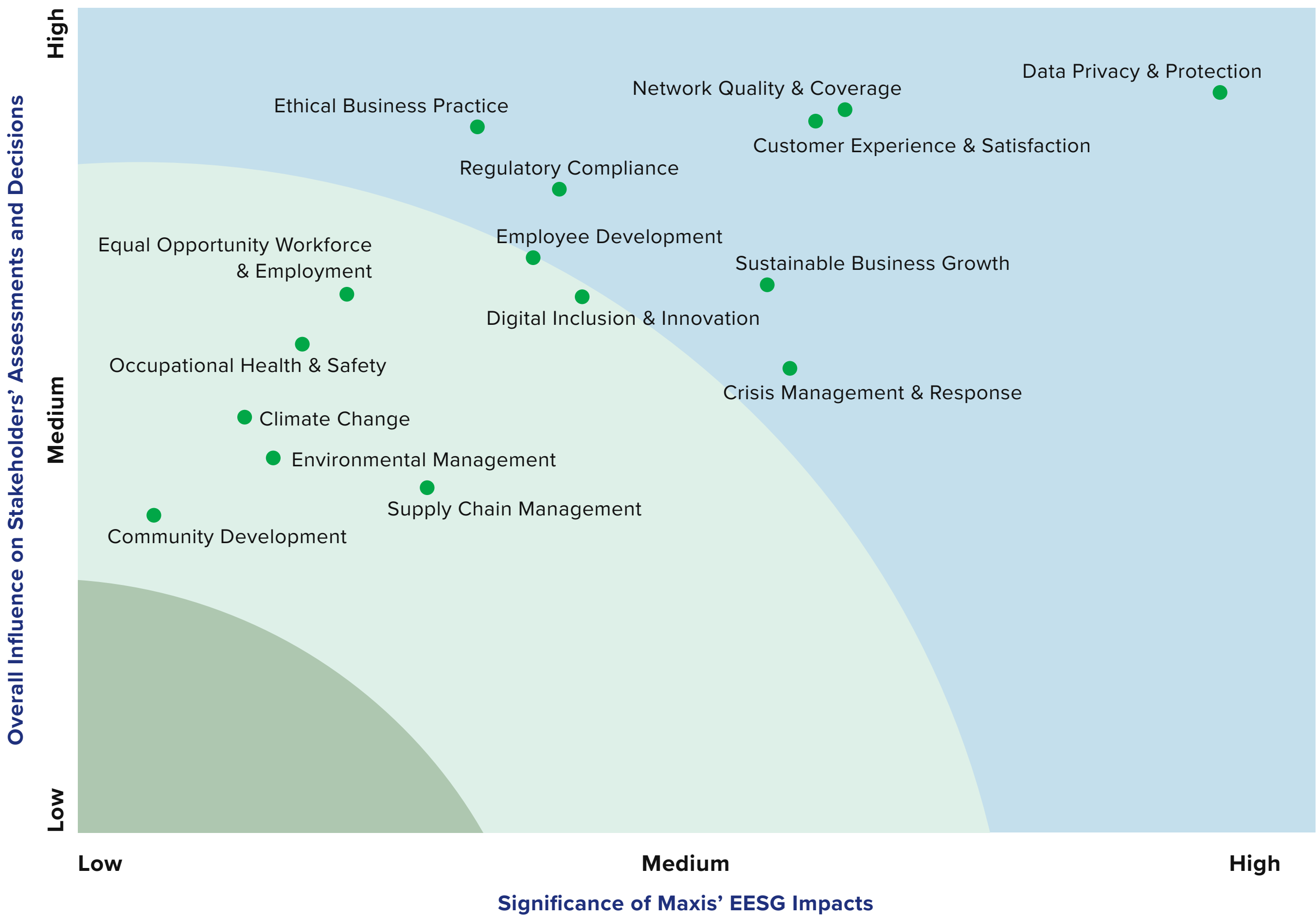
Following the validation exercise, we found that our existing material matters remained relevant. We conducted an impact assessment workshop on 8 February 2024 to re-evaluate the impact of these identified material matters to our business, while maintaining the stakeholders' perspectives obtained in 2021. This workshop involved ten senior management personnel from Maxis who deliberated and provided feedback on the impact of the identified material matters. These material matters were ranked according to their significance, as illustrated below:

Material Matters Ranking

1.	**Data Privacy & Protection**	Strengthen measures in managing stakeholders' data privacy and protection.
2.	**Network Quality & Coverage**	Enhance key internal business functions for improvement of process efficiency and effectiveness, promoting innovation and business continuity.
3.	**Customer Experience & Satisfaction**	Deliver quality customer experience through our products and services, including ongoing engagement, to better understand and meet customer expectations.
4.	**Sustainable Business Growth**	Undertake EESG considerations in making strategic investments, acquisitions, expansion and partnerships to ensure competitive edge and business sustainability.
5.	**Crisis Management & Response**	Prepare for crisis with a rapid and adequate response plan.
6.	**Regulatory Compliance**	Comply with local and cross-borders regulatory requirements and internal company policies.
7.	**Ethical Business Practice**	Conduct and govern our business in full compliance with relevant laws and regulations.
8.	**Digital Inclusion & Innovation**	Provide affordable and innovative products and service offerings to bridge the digital gap to support national priorities in the markets we operate in.
9.	**Employee Development**	Invest in effective programmes to promote employee development and competency enhancement to respond to the rapidly changing and complex business environment.
10.	**Equal Opportunity Workforce & Employment**	Foster fair recruitment practices by embracing diversity and inclusion in a diverse workforce, while embedding a culture that enables employees to strive and excel.
11.	**Occupational Health & Safety**	Anticipate, recognise, evaluate and control hazards arising in/from the workplace that could impair the health and well-being of employees.
12.	**Supply Chain Management**	Manage various supply chain-related risks, including human rights, environmental management and anti-bribery and corruption.
13.	**Climate Change**	Control and monitor mechanisms to mitigate climate change risks through energy consumption management and GHG emissions management.
14.	**Environmental Management**	Control and monitor mechanisms to manage environmental impacts.
15.	**Community Development**	Contribute monetary and non-monetary contributions to local communities/ underprivileged/underserved groups.

OUR TOP MATERIAL MATTERS

MATERIALITY MATRIX



All material matters were ranked in terms of their significance, ranging from High to Low Importance. Data Privacy & Protection, Network Quality & Coverage and Customer Experience & Satisfaction remain as the top three matters that are material to Maxis as they were considered critical to our business and stakeholders.

As the competitive landscape evolves and sustainability considerations become increasingly relevant, Sustainable Business Growth increased in importance, and emerged as a critical factor in maintaining a competitive edge and ensuring business sustainability. Similarly, Crisis Management & Response and Regulatory Compliance rose in positioning compared to the impact assessment conducted in 2021, as they are highly relevant to Maxis to ensure business continuity. Due to the change of material matters mentioned, Ethical Business Practice and Digital Inclusion & Innovation dropped in rankings indicating that there is an increased focus to ensure compliance, business growth and customer satisfaction.

Climate Change has shifted downwards in the Medium Importance ranking reflecting the industry's sentiment within the telecommunications sector, where Climate Change is not a top material matter among local industry peers as reflected in their 2022 IAR and sustainability reports. This is also aligned with the industry's short-term operational focus as climate change is often viewed as a long-term concern with uncertainties. Nevertheless, Maxis continues to actively implement various initiatives to manage energy consumption and GHG emissions, which includes solar energy systems, energy optimisation initiatives and modernisation of equipment.

These adjustments were necessary to refine our focus on aspects crucial for our business objectives, ensuring business sustainability, business growth, regulatory compliance and customer satisfaction. Regardless of the adjustments, all identified matters by Maxis are considered EESG risks to the Company. Lower-ranked issues are typically addressed through rigorous controls and risk assessments. We expect to conduct frequent reviews of our materiality matrix in response to changes within the operational landscape and will continue to monitor and evaluate all material matters to ensure their relevance to our strategic priorities and dynamic business environment.

Refer to pages 38 to 41 for details relating to improving Climate Change.

RISKS AND OPPORTUNITIES

KEY BUSINESS RISKS AND OPPORTUNITIES

Maxis continues to be affected by a variety of risks stemming from internal and external events, such as our 5G implementation, mergers between our competitors, spectrum allocation and disruption in the global supply chain. For ESG related risks, we have established an organisation-wide ESG Risk Management Framework to help us in identifying and assessing the relevant ESG risks. Additional details about our business risks identification and prioritisation process are explained in the Statement on Risk Management and Internal Control.

CCAO	Chief Corporate Affairs Officer	CHRO	Chief Human Resource Officer	CNO	Chief Network Officer
CEBO	Chief Enterprise Business Officer	CIO	Chief Information Officer	CSSO	Chief Sales & Services Officer
CEO	Chief Executive Officer	CMO	Chief Marketing Officer	CTSO	Chief Technology Strategy Officer
CFO	Chief Financial Officer				

F Financial Capital
M Manufactured Capital
I Intellectual Capital
H Human Capital
SR Social & Relationship Capital
N Natural Capital

New Business Risk

Impact on Business

- Competitive operating landscape and growing stakeholder demands for product and service offerings beyond our core service.
- These new growth areas exposes us to liabilities if corresponding risks are not adequately identified and managed.
- Uncertainties of 5G network ownership and potential move to a dual wholesale network.

Mitigation Actions for Value Creation

- Continuously updated our organisational structure, talent management and policies and processes, as well as investing in new technologies to meet the demands of new businesses.
- Actively monitored business operations should there be a requirement to adhere to defined and applicable regulations.
- Managed liabilities using insurance with optimum coverage and premiums.
- Continuous engagement with authorities and industry players to gain favourable outcome.

Opportunities

- Revenues from new business (e.g. 5G, Fibre, IoT).
- Convergence and new products and services.
- Transferred risk (e.g. insurable risk).
- Terms and conditions of service delivery with the external parties.
- Creating differentiation factor in products and services.

Risk Owners:

CFO CMO CEBO CHRO CSSO

Capitals Affected:

F M I SR

Key Risk Indicators:

- Progress in transforming people, process and technology to meet demand of new businesses
- Progress in product delivery

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Ethical Business Practice
- Regulatory Compliance
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Climate Change
- Employee Development
- Environmental Management
- Community Development

Competition Risk

Impact on Business

- The increased competition arising from mergers between market players could create an uneven playing field, leading to reduced market share.
- Intensifying market competition could lead to players providing overlapping services to cater to the demand for connectivity.
- Irrational moves by smaller competitors in product/services offerings impacting margin and overall profitability.
- Venturing into new growth opportunities in fixed broadband and enterprise business has widened our competitive landscape.
- New entrants providing similar products and services reducing market share.

Mitigation Actions for Value Creation

- Intensified efforts to gain market share and maintain leadership in converged solutions in both the Consumer and Enterprise segments.
- Leveraging on industry-leading LTE network and fibre connectivity to be Malaysia's leading integrated telco.
- Customer experience as service differentiator via customer first approach.
- Drove efficiencies and innovation via new technologies, products and services, processes and business models to provide customers with a consistently good experience.

Opportunities

- Focusing on revenue from innovative services and effective strategies on key segments.
- Diversifying revenue from non-traditional business segments, such as the fixed broadband and enterprise business.
- Creating products and services targeting different customer segments.
- Improving organisational agility and operational efficiency.

Risk Owners:

CMO CSSO CTSO CEBO CCAO

Capitals Affected:

F M I H SR

Key Risk Indicators:

- Customer acquisition/contract renewal
- Revenue Generating Subs and Gross Adds
- Industry revenue share

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Ethical Business Practice
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Supply Chain Management

RISKS AND OPPORTUNITIES

Operation Risk

Impact on Business

- Failing to provide consistently good customer service to our customers and at the same time deliver growth and optimise costs could impact our reputation and strategy.
- Implementing complex platform solutions and infrastructure could impact operation processes.
- The dependencies of many projects with local authorities requirements may affect delivery timelines.
- Lack of ESG integration, e.g. e-waste and carbon management, into operations may lead reduced operational efficiency and increased resource use. This in turn, may lead to increased operating expenses and carbon cost as well as adverse reputational impact.

Mitigation Actions for Value Creation

- Accelerated digital channels to provide digital care and self-service capabilities.
- Worked with the authorities to implement new network infrastructure builds.
- Continued to identify new talent with the skills and capabilities to deliver new solutions and services.
- The Project Management Office integrated change management by identifying, evaluating and managing changes throughout the lifecycles of key projects.
- Held continuous collaboration and integration between various internal stakeholders to ensure minimal operation disruption of Maxis' products and services.
- Formation of governance committees to provide guidance and oversight on strategy and operational decision-making.
- Carbon mitigation/adaptation strategy and to implement waste management system.

Opportunities

- Business stability and continuity via enhanced processes.
- Innovative products and services.
- Increasing agility and market competition.
- Cost and operational optimisation via product and services rationalisation.

Risk Owners:

CMO CEBO CSSO CIO CHRO CCAO

Capitals Affected:

F M H SR

Key Risk Indicators:

- Net Promoter Score
- Progress of key projects implementation
- Progress of obtaining permit from local authorities

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Ethical Business Practice
- Regulatory Compliance
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Occupational Health & Safety
- Climate Change
- Employee Development
- Equal Opportunity Workforce & Employment
- Supply Chain Management
- Environmental Management

Network Failure Risk

Impact on Business

- Disruptions to the reliability of our high-quality networks and systems impacting our operations and reputation.
- Hybrid working arrangements and reliance on wireless networking impacting network quality due to a surge in network traffic.
- The imposition of different requirements of regulatory and government bodies impacting delivery and maintenance activity. This will impact customers' satisfaction, significant fines and reputational damage.
- The uncertainty on climate conditions, such as floods or landslides can lead to prolonged or severe service disruptions.

Mitigation Actions for Value Creation

- Prevented disruptions by continuously enhancing and reviewing our networks' resilience and processes including incidents and/or crises.
- Implemented proactive initiatives at high flood risk zones including deployment of gensets, free WiFi at temporary flood centres and continuous monitoring via drones.
- Established a structured ESG framework covering climate change, social responsibility, etc., which is implemented throughout the business.
- Ensured the presence of business continuity plans and insurance policies.
- Worked closely with regulatory and government bodies, together with contractors, to ensure network resiliency and effective infrastructure build up.

Opportunities

- New customers (extended network coverage) and new service opportunities.
- Building a good reputation with customers and government authorities nationwide.
- Awareness of Maxis stakeholders on ESG risks bringing together the best of technology to help people, businesses and the nation.

Risk Owners:

CNO CTSO CCAO

Capitals Affected:

F M SR N

Key Risk Indicators:

- Network performance/quality
- Net Promoter Score
- Business continuity plan's progress vs target levels
- External party scoring indicator
- Service delivery

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Regulatory Compliance
- Crisis Management & Response
- Climate Change

Technology Risk

Impact on Business

- Failure to advance with evolving technological and digital capabilities to maintain our leading edge in technology, innovation and to support our sustainability initiatives.
- New technologies implemented without a clear development and transition programme, could affect the adoption rate, subsequently hindering the technologies' returns on investment (ROI).
- Complexities in adopting 5G infrastructure and services between Maxis with DNB's Single Wholesale Network (SWN).

Mitigation Actions for Value Creation

- Continuous investment on our systems with new capabilities to deliver innovative and relevant services to our customers.
- Ensured that technologies prove their maturity, sustainability and scalability roadmap within the commercial environment.
- Conducted pilot trials prior to launch.
- Leveraging technology to support our sustainability initiatives.

Opportunities

- Cost reductions.
- Convergence and new services.
- Reduction of network equipment and maintenance costs.
- Service differentiation/customisation.
- Effective management of the technology's performance and scalability.

Risk Owners:

CTSO CIO CNO

Capitals Affected:

F M SR

Key Risk Indicators:

- Delay in meeting key milestone on new technology implementation
- Adoption rate, user engagement index, performance and scalability
- Technical possibilities assessment

Material Matters:

- Network Quality & Coverage
- Customer Experience & Satisfaction
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Climate Change
- Environmental Management

Data Privacy and Protection Risk

Impact on Business

- Impacts customer confidence and leads to significant fines, business disruptions and reputational damage due to noncompliance to regulatory requirements, data breaches, theft and loss, and misappropriation of information.

Mitigation Actions for Value Creation

- Established a data privacy and protection framework in governing the policies, procedures, technologies and tools in managing customers' personal data.
- Fostered awareness of data privacy and protection among Maxis' stakeholders.
- Attestation activities conducted to identify the privacy data throughout the organisation.

Opportunities

- Establishing and incorporating structured data privacy and protection within governance and internal business processes.
- Cybersecurity services for business customers.
- Strengthening trusted third-party roles.
- Increasing efforts to promote awareness internally and externally of data privacy, management and protection.
- Identification of data and its usage throughout the organisation.

Risk Owners:

CIO CTSO CFO CNO CSSO CEBO

Capitals Affected:

F M I SR

Key Risk Indicators:

- Implementation progress on data related programmes
- Number of data breaches

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Digital Inclusion & Innovation
- Ethical Business Practice
- Regulatory Compliance
- Crisis Management & Response

Vendor/Supply Chain Risk

Impact on Business

- A critical failure on vendor's delivery and its supply chain (which includes critical telecommunications equipment and resources) contributed by many aspects may lead to system and network interruptions that could adversely impact our operational and service quality.
- Unable to deliver customer's products and/or services.
- Possibility of exposing the Group to potential ESG risks within the supply chain.
- Potential unauthorised access to Maxis' infrastructure via third-party vendor systems.

Mitigation Actions for Value Creation

- Periodic vendor performance evaluation, a key part of supply chain risk management.
- Optimised processes and technology tools in our Source to Contract framework.
- Maintained constant dialogue with critical suppliers.
- Identified alternative suppliers/vendors.

Opportunities

- Purchase price reductions through volume and commercial competitiveness.
- Co-developing solutions with suppliers.
- Increasing the number of alternative preferred suppliers.
- Renegotiation of commercial contracts.

Risk Owners:

CFO CMO CEBO CTSO CIO CNO CSSO

Capitals Affected:

F M SR

Key Risk Indicators:

- Delivery timeliness of goods and services

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Ethical Business Practice
- Regulatory Compliance
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Occupational Health & Safety
- Supply Chain Management
- Climate Change
- Equal Opportunity Workforce & Employment
- Environmental Management

Information Technology Risk

Impact on Business

- Cybersecurity threatens the resilience and integrity of our network infrastructure and support systems, with potential cyberattacks resulting in reputational damage, litigation or other penalties and vulnerabilities.
- New products and services which utilise external parties' environment could affect the operations and introduce new cybersecurity vulnerabilities into Maxis' environment.
- Potential data leakages resulting from internal and external threats.

Mitigation Actions for Value Creation

- Various initiatives conducted by the Cybersecurity Management (CSM) unit such as security planning projects, operations, data protection, security forensics, threat intelligence and assurance, enhancing system and agents, continuous awareness and training sessions and insured liabilities with optimum coverage.
- Enhanced cybersecurity risk management approach as key risk drivers and key business scenarios.

Opportunities

- Cybersecurity services for business customers.
- Consolidation of internal expertise.
- Security by Design to support increasing compliance with governance.
- Championing cybersecurity within the Maxis ecosystem.
- Terms and conditions of service delivery with external parties.

Risk Owners:

CIO

Capitals Affected:

F M I SR

Key Risk Indicators:

- Percentage of security incidences exceeded Service Level Agreements (SLAs)
- Completion rate of Cybersecurity Awareness Training
- No. of technical vulnerabilities
- Identity Management
- Configuration Management
- Data Protection
- Endpoint Security

Material Matters:

- Customer Experience & Satisfaction
- Ethical Business Practice
- Regulatory Compliance
- Digital Inclusion & Innovation
- Crisis Management & Response
- Data Privacy & Protection
- Sustainable Business Growth
- Climate Change

RISKS AND OPPORTUNITIES

Economic Risk

Impact on Business

- Slower global trade, global tech downcycle and tighter monetary policies may impact local economic growth and affect consumers' purchasing power as well as corporate spending.
- Softening global economic growth and trade activities due to inflationary pressure, tightening of financial conditions and supply constraints.
- Geopolitical tension are directly and indirectly affecting the supply and demand equilibrium, and by extension, our business.

Mitigation Actions for Value Creation

- Positioned Maxis as Malaysia's go-to, extensive brand that leads in trust, enablement and influence.
- Minimised the economic impact on businesses and consumers by driving key convergence value propositions and to accelerate digital adoptions.
- Accelerated our cost optimisation programmes.

Opportunities

- Economic recovery.
- The 12th Malaysia Plan and Budget 2023, focused on the *rakyat's* well-being and on business continuity.

Risk Owners:

CFO CMO CEBO CSSO

Capitals Affected:

F H SR

Key Risk Indicators:

- Consumer Confidence Index
- Domestic consumption
- Household spending

Material Matters:

- Sustainable Business Growth
- Crisis Management & Response
- Digital Inclusion & Innovation
- Supply Chain Management
- Climate Change

People Risk

Impact on Business

- Recruiting, developing and training the best talents needed for our new business segments remain a challenge.
- Specialised skills needed to drive digital transformation strategies are becoming increasingly scarce due to intense competition for talent.
- Failure to safeguard the health, safety and well-being of our employees and the public, especially in light of infectious diseases.
- Higher attrition rate for top value roles driven by industry demands.
- Continued manpower optimisation exercise may result in the rise of operating costs and reduced profitability.

Mitigation Actions for Value Creation

- Developed leadership succession plans.
- Optimised resource costs with strong initiatives to respond to infectious disease impacts.
- Continuously built capabilities by upskilling our existing workforce, recruiting new talents and strategic mergers and acquisitions.
- Proactively reviewed our talent retention strategy.
- Monitored and managed potential infectious disease impacts on our colleagues.

Opportunities

- Talent diversity through innovative talent attraction and retention strategies.
- A healthy and highly engaged workforce.

Risk Owners:

CHRO

Capitals Affected:

F I H SR

Key Risk Indicators:

- Voice of Maxis (VOM) Score/Employee Engagement Index (EEI)
- Vacant time for critical roles
- Employee of Choice Survey
- Attrition rate

Material Matters:

- Ethical Business Practice
- Customer Experience & Satisfaction
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Occupational Health & Safety
- Employee Development
- Equal Opportunity Workforce & Employment
- Community Development
- Data Privacy & Protection
- Regulatory Compliance

Regulatory Risk

Impact on Business

- Telecommunication companies may need to respond to new/revised regulations and changes in the political landscape so they can minimise the impact on their strategy in the short and long run.
- Regulated spectrum resources are limited, yet they are critical in maintaining competitiveness, growth and cost strategies.

Mitigation Actions for Value Creation

- Closely monitored new developments and engaged with regulators and the industry to propose changes and provide feedback on regulatory reforms and industry developments.
- Both the domestic and global political landscape have been factored into the business direction for telecommunication companies to remain responsive and agile in ensuring business resilience.
- Remained committed to conduct business ethically and comply with applicable laws and regulations.

Opportunities

- New spectrum awards by the Government.
- Active participation in Government initiatives.
- Minimising impacts on business strategy resulting from regulatory introductions or amendments.

Risk Owners:

CFO CCAO CTSO CNO

Capitals Affected:

F M H SR

Key Risk Indicators:

- Fines and compounds imposed by regulators
- Amount of spectrum to be awarded

Material Matters:

- Network Quality & Coverage
- Data Privacy & Protection
- Customer Experience & Satisfaction
- Ethical Business Practice
- Regulatory Compliance
- Digital Inclusion & Innovation
- Sustainable Business Growth
- Crisis Management & Response
- Occupational Health & Safety
- Climate Change
- Employee Development
- Equal Opportunity Workforce & Employment
- Environmental Management
- Community Development

DRIVING BUSINESS EXCELLENCE

MOBILE

In the dynamic landscape of Malaysia's mobile telecommunications, Maxis has reinforced its position as the leading integrated telco by delivering innovative consumer mobile solutions, underpinned by a robust digital-first approach.

Maxis places a strong emphasis on tailoring its offerings to meet the diverse needs of its customers, ensuring optimal connectivity experiences that seamlessly integrate into daily life. The Company's strategic pivot towards a digital-centric model underscores its commitment to driving value creation and enhancing customer interactions through digital transformation.

Maxis' strategic rollout of attractive and inclusive 5G plans and services plays a pivotal role in driving the country's digital economy forward. Through continuous innovation and customer-centric initiatives, Maxis is set to lead the charge in the 5G era, promising an always-connected, high-speed digital future for all Malaysians.

DELIVERING WINNING CONSUMER MOBILE SOLUTIONS

Maxis stands at the forefront of Malaysia's consumer mobile solutions sector, steadfast in its mission to deliver innovative solutions to meet and surpass customer expectations, by adopting a digital-first strategy. We are committed to providing an optimal connectivity experience for all, that is not only cutting-edge but also inclusive and affordable. By prioritising the needs and preferences of our customers, Maxis aims to make high-quality connectivity accessible to everyone, reinforcing our position as a leading force in the industry.

In the realm of consumer mobile solutions, Maxis has taken significant strides in 2023 to elevate our customers' connectivity experience.

5G Experience: Improved Connectivity and Capabilities

We launched brand new 5G Plans across Postpaid and Prepaid, focusing on delivering a seamless 5G experience with improved value for worry-free usage.

On Maxis Postpaid, we introduced new 5G plans which not only offer free 5G phones but also provided up to five times more data, ensuring a seamless and robust 5G experience.

Our commitment to sustainable business growth extended to innovative device ownership programmes, including the expansion of our Zerolution proposition to a broader segment of our customers at an affordable price point of RM79, allowing customers to access the latest smartphones with no upfront payment.

For those looking for more value based postpaid propositions, our Hotlink Postpaid plans starting from RM30 per month are 5G-enabled and offer double the data quota along with great deals for entry 5G devices.

For the prepaid segment, we have also launched new 5G unlimited passes that offer high speed 5G experience everyday with more data quotas.

Maxis Business Postpaid plans offer a comprehensive connectivity solution tailored for businesses, ensuring seamless operations whether in the office or on the move. With up to 1.4TB of mobile data, including specific allocations for 5G and productivity applications, businesses can enjoy a wide array of whitelisted productivity tools such as Office 365 and Zoom without impacting their data quota.

In addition to generous data allowances, these plans provide global connectivity options with easy activation of roaming passes through the Maxis App for unlimited data use in 54 countries. For businesses seeking tailored solutions, Maxis offers bundled products and services, with a broad selection of internet plans, digital solutions, and enhanced security to meet the dynamic needs of modern businesses.

As of end 2023, we have seen encouraging growth in the number of 5G subscribers since its launch on 15 August 2023.

DRIVING BUSINESS EXCELLENCE

Collaboration for Sustainable Growth

Underlining our commitment to environmentally conscious practices, we initiated a trade-in programme with CompAsia. Our partnership with CompAsia started in 2021, demonstrating our continuous commitment to sustainability by providing convenience and flexibility to our customers to either upgrade or recycle their old devices. This programme empowers our customers to trade in their old mobile phones for a reasonable price in a secure and worry-free manner, with a dedicated focus on securely erasing old data. To date, we have received more than 5,000 traded in devices that will be refurbished and re-used or repurposed into recycling materials.

OUTLOOK

Short-term

- Focus on growing and gaining market share in both premium and value-seeking segments, with attractive mobile devices, converged solutions, and communications tailored to target audiences.
- Enhance Segment of One (SO1) capabilities to increase customer lifetime value.
- Focus on fixed-mobile convergence solutions to improve revenue.
- Enhancement of mobile digital experience to monetise customer interactions.
- Continue to optimise and upgrade our network to ensure a consistent mobile network experience for our customers.

Medium-term

- Offer consistently good customer experience leveraging on AI and 5G connectivity.
- Expand coverage in underserved areas through active site sharing.

Long-term

- Be the undisputed leader of mobile solutions for Malaysians, as Malaysia's leading integrated telco. Embrace digitalisation by enabling zero touch operations, achieving 100% digital customer self-serve, and shifting 100% of business IT applications and infrastructure to the cloud.

DELIVERING CUSTOMER SERVICE EXCELLENCE

At Maxis, we recognise and respond to the evolving landscape of customer expectations. In a world where delivering a consistently good customer experience is paramount, we have harnessed the power of digital transformation to make interactions seamless and positioned ourselves as a key value creator for our customers.

Innovating Customer Experiences

Maxis prioritises creating a pleasant customer experience through a customer-centric approach across every channel and touchpoint. We have implemented several pioneering features and initiatives that are shaping the future of customer engagement.

Driving Partnership: Connecting Beyond Boundaries

In our pursuit to innovate customer service, Maxis has forged strategic partnerships that extend our reach and enrich the experience of our customers.

We expanded our presence in the digital and electronics retail space by leveraging partnerships with retailers like Senheng, DirectD, Machines, Switch, and Urban Republic. This move enhances customer touchpoints and facilitates easier acquisition through the availability of Maxis, Hotlink, and Fibre plans in partner stores.

In addition, we established partnerships with Universiti Teknologi MARA (UiTM) and other key local universities, solidifying our presence as a strategic technology partner. This collaboration spans areas such as eSports, career opportunities, and knowledge sharing, particularly targeting the youth segment.

Customer-Centric Excellence at Maxis

At Maxis, our commitment to instilling a culture of consistently good customer experience is embedded across our organisation, aiming to fortify brand advocacy, enhance competencies, and reshape customer journeys for swifter and superior resolutions. To that end, Maxis delivered a strong TP-NPS score of +68 in 2023, an improvement from +66 in 2022.

Some of the initiatives that have enabled us to improve our TP-NPS score include:

- The use of Speech & Text Analytics, Robotic Process Automation, and the streamlined use of Maxis' WhatsApp as a customer care engagement channel have created a suite of self-serve options.
- The introduction of the Mobile Network Checker in Maxis App where customers are proactively informed of network downtimes which may impact their network experience.
- The introduction of the Maxis Interactive Retail Assistant (M.I.R.A) at our retail stores to promote self-discovery of personalised Maxis products and service offers and provide quick links to self-serve options in virtual waiting rooms, to enable faster checkout when registering a new line, a shared line or obtaining a new device.

Central to our customer-centric approach is our dedicated workforce. We actively train our employees, arming them with the requisite knowledge and skills to address the distinctive needs of our customers.

In line with our commitment to promote workplace inclusivity, we have also developed technologies to enable hiring of visually impaired agents at our contact centres.

DIGITAL INCLUSION & INNOVATION

Digitalisation has become an imperative focus that we are prioritising as part of our overall strategy. We are fully committed to embracing digital technologies and integrating them into our operations, products, and services to simplify processes, enhance efficiency, and unlock new opportunities.

Digitalising Customer Experience

With enhanced systems and capabilities to strengthen our digital and online presence, we enabled simplified experiences for our customers to obtain Maxis products and services, including:

- Digitally onboarding customers to 5G mobile plans, enabling them to rapidly experience and utilise 5G
- Continued enhancement of our online sales platforms, leading to a YoY increase of 20% in digital sales and a 6.7% growth in online customer contract renewals
- Improved iPhone pre-order sales experience, resulting in 2x increase in online sale of iPhone devices
- Growing functionalities in our app interface to leverage digital wallets and bank integration, with 52% of our Maxis Postpaid customers now making payments via the Maxis App

Our Hotlink mobile app recently won the iF Design Award 2024 in the user experience category. This prestigious accolade recognises our commitment to excellent design and affirms Maxis' dedication to delivering a consistently positive customer experience.

We continue to innovate in digitising our customer experience with capabilities such as FaceID across Postpaid, Prepaid and Fibre registrations to reduce fraud and enhance user journeys with digital onboarding.

Personalised Customer Experience through Advanced Analytics & Machine Learning

From our partnerships with technology companies in business intelligence and workforce precision up-skilling, we have accelerated the use of machine learning and analytics in enabling Maxis to be an insight-driven organisation.

We built a unified 360-degree customer view that allows us to predict individual customer satisfaction based on algorithms and provide personalised recommendations to our customers.

OUR NETWORK

Smart investment in expanding our leading converged network to serve more Malaysians

In 2023, we continued to strategically expand our mobile coverage footprint in Malaysia to better serve all Malaysians. We built more than 700 new sites in 2023, especially in the East Coast, Sabah and Sarawak, mostly supporting 4G coverage expansion for underserved areas. The activation of more LTE sites on 900MHz frequency has also allowed us to expand our existing coverage reach and indoor/in-building quality signal.

Maxis is also working closely with the industry to actively share more than 2,400 sites providing additional coverage to rural and underserved areas. This is expected to grow by an additional 2,000 sites in 2024 and 2025 under the Jendela Phase 1 and other Malaysian Communications & Multimedia Commission's (MCMC) Universal Service Provision (USP) related programme.

Optimised a Converged Network Experience

In 2023, we continued to ensure that our customer experience remains consistent wherever they may be, with our speed test samples achieving more than 3Mbps more than 95% of the time. This allows our customers to experience consistent and uninterrupted connectivity, seamless website streaming as well as smooth high-definition video experience. The activation of more LTE sites on 900MHz frequency in 2023 has also allowed us to expand our coverage and reach. Additional measures which include the upgrade of 4G radio access network, deployment of advanced high-speed microwave and strengthening of fibre network architecture to enhance network resiliency, resulted in network speed and stability improvement.

Since the launch of the Voice over LTE (VoLTE) and Voice over WiFi (VoWIFI), more than 80% of our voice traffic is carried over these technologies. This translates to more than 33 million daily high-definition voice calls made by customers, enjoying faster call setup times, better voice clarity, and robust and uninterrupted connectivity.

Continued to Enhance the Network and Explore New Technologies

Maxis has been at the forefront of exploring cutting-edge network technologies to meet the evolving demands of data consumption and the exponential growth in traffic. On average, Maxis' customers consume over 30GB of data per month. Top consumption drivers include video streaming, social networking and web browsing, with a combined volume of almost 180,000 Terabytes.

DRIVING BUSINESS EXCELLENCE

New Spectrum Bandwidths

In June 2023, Maxis became the first telecommunications company in the Asia-Pacific region to successfully conduct a technical field trial with the trial of the 6GHz spectrum, leveraging advanced massive Multiple-Input Multiple-Output (MIMO) technology. The trial, conducted in Kuala Lumpur, aimed to assess the feasibility of integrating this new spectrum and antenna technology to address the escalating demand for mobile traffic and enhance coverage in urban environments.

Optimising Existing Network Performance

In a continuous effort to optimise existing network performance, Maxis has implemented advanced features utilising AI algorithms and ultra-low latency scheduling. These features enhance network capacity and improve the user experience.

Maxis has focused on delivering consistency between the 4G and 5G networks through optimisation, enhanced capability, and proactive issue resolution. Various initiatives, including a nationwide rollout of LTE 900MHz on 85% of sites, have significantly enhanced indoor coverage and improved the 4G user experience.

Maxis has deployed advanced solutions for improved network capacity and efficiency which resulted in a significant improvement in user experience and notable power savings.

Advancing 5G capabilities

Maxis has completed the testing of 5G Standalone (SA) technology to further enhance its 5G capabilities. The 5G SA brings enriched features supporting advanced 5G use cases such as Ultra-Reliable Low-Latency Communication (URLLC) and Massive Machine-Type Communication (mMTC) enabling better response time and significantly more IoT connection.

Pioneering sustainable network operations

Subang Hi-Tech TOC is the first telecommunications network site in Malaysia to be awarded the ISO 14001:2015 Environmental Management Systems (EMS) certification by SIRIM QAS International. The certification recognises our excellence in planning, design, operations and maintenance of equipment and facilities at the TOC.

The robustness and quality of our network is essential for us in ensuring a consistently pleasant experience for our customers. To deliver on this commitment, we have also attained the following certifications:

- ISO 9001:2015 Quality management systems
- ISO 22301:2017 Business continuity management systems

Improving network experience in East Malaysia

Maxis has set up new Regional Internet Hubs at TOCs in Kuching, Sarawak and Kota Kinabalu, Sabah. Both are important network investment to improve customer internet experience, catering to high data volume and anticipated volume growth. The hubs come with direct international content connectivity that delivers faster response time for customers when loading and playing content.

FIBRE

Maxis' Fibre offerings help us build deeper relationships with our customers, providing them with fast and reliable connections, enabling them to achieve more from home and at work. Maxis currently provides fibre connectivity to more than 700,000 homes and businesses, which is made possible through our own build fibre as well as the partnerships we have established with various fibre access providers to provide the widest fibre coverage to our customers.

Maxis offers a comprehensive range of fibre plans, from 100Mbps to 2Gbps, equipped with the latest routers and bundled with unlimited mobile data for postpaid users. Additionally, customers can enjoy easy access to high-end home devices, including televisions and gaming consoles, through the Zerolution device installment plan.

By embedding fixed-mobile convergence as part our offerings, we aim to provide seamless connectivity nationwide and are actively expanding our fibre network to deliver dependable connections to more customers. A key differentiator for Maxis Fibre is our focus on optimising WiFi connectivity; Maxperts conduct thorough checks to ensure an unparalleled WiFi experience throughout customers' homes and provide dedicated support to ensure a worry-free service.

DELIVERING WINNING CONSUMER FIXED SOLUTIONS

Maxis Home Fibre: Elevated Connectivity for Homes

Responding to the demand for high-speed internet, we introduced new Maxis Home Fibre plans featuring speeds of 1Gbps and 2Gbps. These plans aim to provide customers with a faster WiFi experience, accommodating growing needs of customers to connect multiple devices simultaneously. We also expanded our Zerolution financing programme for the home, including partnerships with brands like Dyson, Samsung, Sony and LG, aimed to boost the adoption of smart home devices that enhance the Maxis home internet experience while offering significant savings. Additionally, in alignment with the Government's initiative for broader fibre connectivity, we launched the Pakej Perpaduan for Maxis Fibre to serve underserved Malaysians, delivering digital inclusivity and contributing to national connectivity goals.

Maxis Business Fibre: High-speed and Reliable Internet Access for Business Needs

Together with the rollout of the new Home Fibre plans, Maxis Business Fibre was also made available nationwide at speeds of up to 1Gbps, with new Enterprise customers also being able to enjoy the special promotional pricing for the first 24 months.

Maxis Business Fibre is the only broadband service in Malaysia that comes with free 4G wireless backup so that businesses stay always connected with zero downtime. Maxis' all new Business Fibre plans also come with a free next-gen WiFi 6 certified router and a voice line with unlimited domestic calls. In addition to this, plans of 300Mbps and above come with a free WiFi mesh for wider coverage in business premises to deliver uninterrupted connectivity for businesses of all sizes.

SUSTAINABLE BUSINESS GROWTH

Collaboration for Sustainable Growth

Our partnership with Dyson was not only aimed at expanding our home device product line but also established to help capture market share of selected segments through luxury home devices. Additionally, we have partnered with Secom Smart Security to enable us to tap into the high-potential home security market, aligning with future trends for peace of mind products and services.

Exploring New Avenues for Business

Complementing the launch of 5G plans, the launch of 5G WiFi offers a plug-and-play home WiFi alternative at fibre-like speeds, featuring unlimited data and a free 5G router capable of delivery Gbps speeds.

DRIVING BUSINESS EXCELLENCE

OUTLOOK

Short-term

- Drive convergence through continuous focus on a broader customer segment.
- Continue to enhance Segment of One (SO1) capabilities to increase customer lifetime value.
- Maximise value realisation in fibre through an optimum mix of infrastructure, competitive products and operational efficiency.
- Modernise fibre operations through digitalisation and automation of back-end operations.
- Make plans more attractive by bundling them with mobile devices, tablets, wearables (smart watches) and home devices (television sets, purifiers, products offered via partnerships with brands such as Dyson for its cordless vacuum, multi-styler and dryer).

Medium-term

- Reach 1 million fibre connected homes.
- Increase gains of overall fibre market share.
- Strengthen our leadership in convergence through continuous innovation in product and solutions.
- Offer consistently good customer experience through our AI-powered SO1.

Long-term

- Become a leader of converged solutions for Malaysian families.

Driving Partnership: Connecting Beyond Boundaries

For our Home Zerolution, Maxis enhanced its offerings by introducing new home merchandise, initiating a television trade-in programme and offering larger television sizes. These enhancements, along with the partnership with Dyson, contribute to an enhanced home experience for our customers.

Driving Digitalisation: Elevating Customer Care and In-Store Experience

In 2023, we have also implemented enhancements in the fibre business operations which include same day installation services for an improved customer experience. The introduction of the latest WiFi 6E router for 2Gbps customers also strengthens our leadership in the Home experience.

In elevating our fibre care, our fibre self-serve portal was enhanced with a revamped user interface, introduction of new WiFi management features as well as easy in-app Mesh purchase. Apart from its advanced diagnostics capabilities, the new WiFi scheduling feature is one of the many features that empowers customers to manage and control the WiFi availability of their home network based on their preferred usage.

Leveraging on the surveillance capabilities, we have also enabled quality assurance mechanism to ensure our fibre customers experience seamless service availability with consistent download speeds. These autonomous functions operate remotely 24/7, to monitor and optimise speed, fibre connection stability and in-home WiFi connectivity.

Our fibre NPS has increased to +68 in 2023, reflecting our commitment and consistency in delivering enhanced fibre services and quality products.

EXPANDING OUR FIBRE FOOTPRINT

As of 2023, Maxis has increased its fibre access to more than 7.5 million premises nationwide. Additionally, we built 181,000 premises in 2023 alone, an 80% increase to the premises delivered in 2022. This takes our total own fibre-to-the-home network to more than 400,000 premises nationwide.

Expanding our own fibre footprint to support multiple services (Mobile, Enterprise and Home) to more than 22,000 km nationwide and growing, we are also committed to the continued improvement of our customer's Home experience and in the delivery of consistent speeds as subscribed.

Our Network Leadership Highlights:

Fibre access to more than

7.5

million premises

ENTERPRISE

We remain committed in revolutionising the way Malaysian businesses operate in the digital era by offering innovative, right-fit solutions that support their digital transformation journey and redefine their interactions with customers, manage operations efficiently and enable their employees to be more productive. Our focus is to offer our customers state-of-the-art connectivity solutions, IoT services and cloud services ensuring that all these services are embedded with security. We recognise that security is pivotal in anything people and businesses do digitally and hence enable our customers to secure their infrastructure, data, assets, and communication at all times.

Through these solutions, Maxis has fostered strong relationships with businesses across all levels, aiding them in understanding the importance of digitalisation for more efficient and cost-effective operations. We remain well-positioned as the right business partner for all business segments – corporates, mid-market, small and medium enterprises, wholesale and the public sector.

YOUR RIGHT BUSINESS PARTNER

Forging a Path to Sustainable Enterprise Growth

In 2023, we amplified our commitment to drive sustainable business growth and technology advancement, anchored through strategic partnerships, industry collaborations and innovative connectivity solutions leveraging on 5G.

Strengthening the Digital Ecosystem through Strategic Partnerships and Industry Collaboration

Throughout the year 2023, we collaborated with industry and technology players in our bid to boost sustainable business growth not only for ourselves but for our partners. One of the notable collaborations was with Telekom Malaysia to provide wholesale 2G and 4G network. This partnership demonstrates our shared commitment to driving innovation, improving customer experiences, and contributing to the advancement of Malaysia's digital landscape.

We also partnered with Ideal Property Group, a market-leading property developer in Penang, to deliver fibre connectivity to homes and businesses in commercial and residential projects comprising 12,000 business premises and homes. Moving forward, we will continue to collaborate with property developers nationwide to provide high-speed broadband and connectivity solutions.

With technology creating immense opportunities across industries, we joined forces with the Malaysian Agricultural Research and Development Institute (MARDI) to collaborate and co-develop agricultural and agrifood based solutions. As a pilot, we worked on precision farming for ginger using automated systems to utilise fertigation with drip fertilisers, big data analytics, as well as 24/7 surveillance. Through this, we aim to roll out the technology to more than 400 ginger agro-prenuers to enhance efficiency and equip MARDI with valuable insights into integrating technology to address food security challenges. This sets the stage for a two-year partnership encompassing capacity-building programmes, research initiatives, seminars, conferences, and pilot studies focusing on smart agricultural solutions.

Supporting Small and Medium-Sized Enterprises (SMEs) in their Digitalisation Journey

Furthermore, Maxis is committed to becoming the preferred digitalisation partner for SMEs, especially given their significant contribution to Malaysia's Gross Domestic Product. With ambitious plans for this segment in generating long-term sustainable revenue, Maxis positions itself as the single touchpoint to help these businesses embark on their digitalisation journey, enhancing their productivity and market reach.

In our bid to empower more SMEs, we have supported the government as a certified Digitisation Partner under the Geran Digital PMKS Madani initiative, by assisting 27,000 SMEs in their digital transformation journey. The UsahaWIRA community, comprising these SMEs, receives exclusive event invitations, networking opportunities, and more. Engaging with SMEs nationwide through targeted roadshows has been a key component of our strategy.

DRIVING BUSINESS EXCELLENCE

To extend our reach to the 1.2 million SMEs in Malaysia, we need the right business partners to support them through their digitalisation journey. We are collaborating with state governments to develop digital ecosystems that foster socio-economic impact for the local communities and micro SMEs (MSMEs) across the country. For example, we have partnered with Digital Penang and Digital Perlis to support the state's ambition to accelerate digitalisation among MSMEs as key economy drivers.

Fixed Connectivity and Next Generation Hybrid SD-WAN

We have ramped up our efforts in simplifying customers' operations through digitalisation. Maxis was selected by BHPetrol to improve customer experience at their retail stations. Under this collaboration, we have deployed our managed SD-WAN to power BHPetrol's outdoor payment terminals at every petrol pump and Point of Sale systems at all retail stations in Peninsular Malaysia. To date, Maxis' SD-WAN has been rolled out to more than 240 locations.

We have also connected Johor Plantations Berhad's entire network of operations with Maxis' solutions, enabled by SD-WAN for fast, secure, and reliable connectivity throughout its estates, mills, biogas plants and labs spanning across 60,339 hectares. We designed and deployed infrastructure to support a range of capabilities, especially our high-speed Dedicated Internet Access for cloud connectivity. This infrastructure will assist Johor Plantations Berhad in many facets, including improving palm oil crop management, worker resource planning as well as environmental management monitoring.

In 2023, multiple batches of Enterprise's legacy circuits were migrated to make use of Maxis' advanced IP transmission, with strengthened network resiliency for a more effective, higher connectivity speed and quality while providing seamless fail-safe backups for our customers. The Maxis Programmable Network architecture grants customers the flexibility to scale their network capacity on demand.

Growing the 5G Ecosystem whilst Enhancing Our Solution Portfolio

Maxis Business has positioned 5G as an enabler for connectivity enhancements and innovative enterprise solutions. Addressing evolving business needs, we introduced new plans enriched with greater value, 5G bonus data, productivity tools, and extensive device ownership programme. This commitment to staying at the forefront reflects our dedication to revolutionising how businesses connect, communicate, and elevate their digital experiences.

During the year 2023, we continued to grow our 5G ecosystem through the Maxis 5G Alliance programme which grew to 45 members, up from 23 members in 2022. The strength and diversity of this community of 5G stakeholders will continue to accrue benefits through the various engagements with Alliance members on collaboration and co-creation of innovative products and solutions that can leverage on 5G technology to catalyse the digital journey of our customers.

Earlier this year, we staged Southeast Asia's first 5G-Advanced technology trial together with Huawei. Also known as 5.5G, the trial demonstrated a live speed test with peak speeds of up to 8Gbps, which is a 10-fold increase in speed compared to 5G. The showcase demonstrated that this technology also had higher capacity for simultaneously connected devices and ultra-reliable low latency. Cumulatively, we believe that our Enterprise customers will stand to benefit greatly from the application of customised digital solutions that will leverage on this improved technology.

Smart Mobility Solutions

We have taken a leadership stance in the Smart Mobility sector, enabling a majority of the Electric Vehicles (EVs) on the road today through the Maxis IoT Connectivity Platform. The collaboration with key partners in the EV ecosystem demonstrates our commitment to advancing EV technologies in line with the Government's National Energy Transition Roadmap.

To help accelerate the adoption of e-mobility solutions, Maxis is collaborating with Blueshark, a leading smart scooter provider, and EV Connection Sdn. Bhd. (EVC), operator of the JomCharge charging network. As part of the collaboration, Maxis will provide 4G and 5G network connectivity solutions to Blueshark and EVC to connect their EV assets and infrastructure.

Harnessing the Power of Digital Technology in Maxis Business Innovation Centre

We officially launched the Maxis Business Innovation Centre (MBIC) in May 2023, which was officiated by the then Communications and Digital Minister Fahmi Fadzil. Spanning 9,000 square feet at the base of Menara Maxis, MBIC is a purpose-built facility designed to foster innovation while driving digital transformation for our enterprise customers. Our partners and customers can access an IoT lab, multi-industry use-cases enabled by 4G and 5G, cloud, AI, IoT, and machine learning, amongst others. MBIC also houses an auditorium with state-of-the-art audio/video (AV) technology, and co-working spaces designed to facilitate collaboration and co-creation. Going forward, we expect MBIC to be where businesses of all sizes and across different verticals will work with us to realise the promise of digital technology.

OUTLOOK

Our Enterprise segment will continue to push the boundaries of innovation and double down on efforts to bridge the digital divide of Malaysian businesses. Our aspirations moving forward are to:

- Focus on sustainable and predictable growth areas.
- Scale up our core Mobile and Fixed connectivity offerings across the business segments.
- Develop right-fit ICT solutions (Cloud, IoT, Managed Services, Security) across all our business segments leveraging on 5G.
- Provide market leading end-to-end customer experiences.
- Digitalise, simplify, and streamline our operating model to optimise efficiency and reduce cost.

DELIVERING SUSTAINABLE VALUE

APPROACH TO SUSTAINABILITY

Maxis strives towards being the leading integrated telco in Malaysia. Our purpose is to bring together the best of technology to help people, businesses, and nation to always be ahead in a changing world. Sustainability plays an important role in our purpose considering that a sustainable and predictable growth of the organisation is one of the key elements supporting our vision to become the nation's leading integrated telco. In fostering sustainability, we will continue to drive environmental responsibility, social equity and economic development against the backdrop of governance and transparency.

Our approach to sustainability is overseen by the Board as a whole, with the CEO setting the overall sustainability agenda. This is cascaded down to the Sustainability Steering Committee comprising Maxis' Management Team and members of key business units. The committee is responsible for the management of Maxis' sustainability matters and is an advocate of governance practices. We have also aligned our sustainability responsibilities with the UN SDGs in anticipation of driving positive outcomes contributing to the global sustainability agenda.

Our commitment to sustainability is acknowledged by key rating institutions. In 2023, Morningstar Sustainalytics ESG Risk Rating, an independent ESG research and rating firm, gave an ESG Risk Rating of 25.1, representing a medium risk. Additionally, Maxis is affirmed with an AA MSCI ESG rating. Maxis is also a constituent of the FTSE4Good Bursa Malaysia Index. In 2023, we received an ESG score of 2.4 with a 2-star ESG grading band.

These accomplishments reflect our focus on creating long-term value for all stakeholders as we endeavour to become the leading integrated telco in Malaysia.

Sustainability Strategy & Value Creation Model

In line with our vision, mission and strategy, the value we create for our stakeholders is categorised into five outcomes and disclosed in the value creation model on pages 14 to 16.

Value Creation Outcome

- **Creating A Digitally Inclusive Society**
- **Enhancing Our Omnichannel Customer Experience**
- **Empowering Our People and Transforming Our Organisation**
- **Embedding Responsible Business Practices**
- **Caring for Our Community and Environment**

DELIVERING SUSTAINABLE VALUE

ENVIRONMENTAL

Climate Change

Environmental Management

DRIVING CLIMATE ACTION

Climate Change

Climate action is critical and as a responsible corporate citizen, Maxis continues to implement initiatives to reduce our environmental footprint and mitigate the adverse effects of climate change on our business operations. Our Corporate Services and Network divisions are tasked to spearhead our focus on advancing the use of energy and resources as well reducing GHG emissions.

In terms of renewable energy, we are committed to increasing renewable energy use and energy efficiency. In addition, we commit to efficient management of our GHG emissions. We engage with our internal audit team to regularly review GHG-related data to ensure accuracy, and design annual reduction strategies in alignment with global best practices to guide our journey towards GHG reduction. We ensure consistency in our emissions data reporting.

Our Energy Reduction Initiatives

The highest contribution towards our energy consumption is our network and information technology infrastructure. To this end, we optimise power usage at our base stations and technical operations centres as well as ensure that our equipment operates efficiently to reduce power consumption. In specific locations, we have incorporated renewable energy which is derived from solar power.

Key Initiatives at Base Stations
- Converted rural off-grid site with genset power to commercial grid power and adopted the use of new energy vehicles with GHG reduction feature.
- Implemented complete off-grid solar systems in rural sites across Peninsular and East Malaysia to minimise reliance on energy provided by generator sets and diesel.
- Deployed the Energy Management System for remote monitoring and control, ensuring autonomous operations and reducing the need for staff travel and diesel consumption.
- Enhanced energy efficiency and facility utilisation by consolidating sites and leveraging on MOCN sharing technology to reduce energy consumption.
- Employed simplified radio and transmission configurations to further reduce energy consumption.

Key Initiatives at Technical Operation Centres (TOC)
- Optimised space within the Network and ISD Data Centre by expediting decommissioning and consolidation efforts for Core and Radio Network, reducing energy consumption for room facilities and power plants.
- Optimised cooling system by implementing hot/cold aisle containment design inside Network and ISD Data Centre to increase energy efficiency.
- Piloted a project for Virtual Energy Management System (VEMS) with Tenaga Nasional Berhad for remote monitoring and analytics to reduce energy consumption at the Sungai Besi TOC.

Network Readiness

To mitigate the impact of the floods caused by year-end monsoons, Maxis implemented various measures, including:
- Proactive monitoring and early warning communication of high flood risk zones as well as equipping sites with standby gensets.
- Hardening (raised up) of high-risk sites based on past flood experience/data.
- Deploying free WiFi at selected Pusat Pemindahan Sementara (PPS) or temporary evacuation centres.
- Equipping regional teams with drones for aerial surveillance and site restoration.
- Stationing critical equipment at regional offices for faster on-site restorations.
- Collaborating with Jabatan Bomba dan Penyelamat Malaysia or the Fire and Rescue Department of Malaysia (Jabatan Bomba) for Maxis Response Team training as well as relevant agencies on site access for service restoration.

Performance Data Trend Energy Usage (MJ)

Our ongoing initiatives to enhance energy efficiency has resulted in a controlled and limited increase in energy usage at network sites to 12.9% despite an increase in the number of network sites available. This achievement not only translates to a lower network site emissions intensity but also contributes to savings in electricity costs.

	2021	2022	2023
Network Energy Consumption	1,420,761,755	1,475,580,045	**1,668,551,500**
Building Energy Consumption	16,378,276	19,225,908	**19,128,534**
Total energy consumption (MJ)	**1,437,140,031**	**1,494,805,953**	**1,687,680,034**

Note:
Conversion factor from fuel and gas usage and electricity purchased to energy: Electricity purchased - 3.6 MJ/kWh; Petrol - 33.34 MJ/L; Diesel - 36.14 MJ/L

Total Emissions at Maxis (CO_2 tonnes)

Scope 1 and 2 GHG Emissions (tCO_2e)

Scope 1 GHG Emissions

	2021	2022	2023
Genset Emissions	3,490	3,431	**2,959**
Vehicle (Fleet) Emissions	1,258	1,257	**1,321**
Total Scope 1 GHG emissions	**4,748**	**4,688**	**4,280**

Scope 2 GHG Emissions

	2021	2022	2023
Network Emissions	270,038	282,305	**315,851**
Building Emissions	3,324	3,919	**3,986**
Total Scope 2 GHG emissions	**273,362**	**286,224**	**319,837**

Scope 2 GHG Intensity (tCO_2eq/site)

Locations	2021	2022	2023
Base Transceiver Stations	24.21	27.10	**26.64**
Technical Operations Centres	4,558.88	4,091.39	**3,880.57**

Notes:
i. Total emissions data from 2021-2022 is restated as there was a revision on the emission factor which was released in 2023. The new emission factor takes effect on data from 2019 onwards.
ii. Emissions are calculated based on the corresponding Global Warming Potential (GWP) value from IPCC's Fifth Assessment Report (AR5).
iii. The source of the emission factor for Scope 1 GHG emissions is derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
iv. The emission factor for purchased electricity (Scope 2 GHG Emission) is derived from Malaysian Energy Commission's Grid Emission Factor (GEF) in Malaysia, 2017-2019.

ENVIRONMENTAL MANAGEMENT

We comply with all local environmental laws and regulations, including conducting Environmental Impact Assessments (EIA) where necessary. Striving for full compliance, we are progressively implementing Environmental Management Systems (EMS) at specific operation sites, conducting external and internal environmental audits for EMS-certified sites, and emphasising corrective actions for minimal environmental impact.

In 2023, Subang Hi-Tech TOC was the first telecommunications network site in Malaysia to be awarded the ISO 14001:2015 EMS certification by SIRIM QAS International. Maxis plans to continue to implement EMS at all Maxis Network sites in phases across the next six years. In enabling circularity, our commitment to responsible waste management and reducing hazardous waste to landfills involves targeted initiatives and monitoring for progress tracking.

Our forest reserve construction approach is to obtain permits from the Forestry Department and conduct joint site visits for tree impact assessment. For wildlife and biodiversity conservation, Maxis strictly prohibits independent removal of wildlife. We seek assistance from Jabatan Bomba to protect or rehabilitate wildlife nesting on towers or otherwise.

Office Waste Management

Our waste recyclable rate increased from 89% in 2022 to 91% in 2023, with total office recyclable waste increasing by 70% and recyclables increasing by 75% as compared to 2022. This was mainly due to the resumption of the Work-in-office (WIO) practice, and at the same time adoption of paper-less and digital work processes by staff.

Total Paper Usage (Reams)

Year	2021	2022	2023
Total reams used	1,806	2,909	**3,511**

DELIVERING SUSTAINABLE VALUE

Our Initiatives

Collaboration with Community Recycle for Charity (CRC):

- Partnered with CRC, a non-governmental organisation, for the eighth year. CRC assists us in collecting our recyclables from five offices in Klang Valley. These recyclables are then used to generate funds for charity.
- Created awareness and refreshers through our Employee Engagement campaign activities and provided recycling bins around the office premises.
- Worked with the MegaBite Café for a sales promotion and launched the reusable tumbler sale for internal customers, with the aim of driving reusable habits.

e-Waste Management

In our commitment towards better managing and minimising e-waste, we continue to move towards establishing a more circular economy in our day-to-day activities. We are focused on initiating circularity in our operations and customer journey through strategic partnerships with our vendors, formalising efficient e-waste management into our operational processes. We also continue to generate awareness both internally and with our customers on the channels available to them to minimise their e-waste.

Operational Waste Management

We are committed to promoting environmental sustainability throughout our operations. To this end, we have implemented network waste reporting for operational waste across all our main offices and sites. This reporting system enables us to effectively monitor and manage our waste generation, specifically categorising waste from electrical and electronic assemblies under Scheduled Waste, code SW110 as per the Department of Environment Malaysia (DOE) regulations. Through comprehensive data collection and analysis, we aim to identify opportunities for waste reduction, optimise resource utilisation, and minimise our environmental impact.

Our Initiatives

- Generated awareness and facilitated e-waste recycling with the launch of e-waste recycling campaign to general public.
- Began establishment of process for recollection, refurbishment and recycling of customer premise equipment (CPE) (e.g. router) to ensure circularity of equipment.

As a result of our diligence, we have achieved the following:

Total of
49,879
e-waste items recycled with the following breakdown:

10,124 units
donated to the Consumer Recycling Programme

Total of
33,988 units
operational equipment recycled

- Recycled **25,073 units**
- Reused **8,915 units**

5,767 units
of Fibre Customer Premises Equipment upcycled

- Refurbished **79 units**
- Sent for Refurbishment **435 units**
- Recycled **5,253 units**

Four-month employee **e-waste recycling campaign**
which resulted in:

Participation from **2,431 employees**

7,248 items collected, weighing **7,808kg**

Water Management at Maxis

We strive for responsible water management and monitor consumption regularly to ensure efficiency.

Our water consumption primarily stems from the Corporate and Network sites with a minor contribution from the Sales & Services sites. We ensure accurate data collection for our reporting process, with data estimation techniques applied for corporate offices. We are focused on continually reducing water consumption, as we aim to minimise environmental impact aligned to regulatory standards.

Total Water Consumption

FY2023

43,224.6 m^3

Notes:
- *Water consumption data for 2021 and 2022 are unavailable as Maxis began measuring water consumption from 2023 onwards.*
- *Maxis' total water consumption as of year 2023 consists of consumption by Corporate Office sites, Network Sites and Sales & Services sites.*
- *The scope excluded sites with no direct financial and operational control by Maxis.*
- *Due to the limited visibility on the source data (i.e. water bills), water consumption at some sites were estimated using occupancy rate.*
- *Source of water: Municipal Water.*

OUTLOOK

We will continue to address climate change by taking every possible action to reduce our carbon footprint. In support of Malaysia's ambitious target to achieve net-zero status by 2050, we are actively working towards establishing robust systems and policies for monitoring our environmental impact. Creating this foundational baseline will provide a sturdy platform for identifying specific environmental objectives as we progress into the future, enabling us to pinpoint opportunities for further emission reduction.

Our action plans are in three phases:

Short-term plans: 1-2 years

- Enhance and intensify e-waste management efforts to encourage circular practices.
- Boost initiatives aimed at advancing recycling to minimise waste.

Medium-term plans: 2-5 years

- Explore possibilities to integrate and leverage renewable energy within our business operations.
- Strengthen Maxis' water and waste management practices with the goal of minimising output.

Long-term plans: 5 years and beyond

- Persist in strengthening comprehensive initiatives to reduce GHG emissions, aligning with the country's aim to achieve carbon neutrality by diminishing our energy-related emissions.

DELIVERING SUSTAINABLE VALUE

SOCIAL

- **Employee Development**
- **Equal Opportunities Workforce & Employment**
- **Occupational Health & Safety**
- **Community Development**
- **Crisis Management & Response**

EMPOWERING OUR PEOPLE AND COMMUNITIES

At Maxis, we strive to create a work environment where each employee thrives, by fostering a culture of collaboration, continuous learning and empowerment. We continue to provide equal opportunities and invest in attracting, retaining and developing top talent, driving innovation and success. We also consistently invest in the communities around us by leveraging on technology to create empowerment opportunities.

Employee Development

In today's dynamic environment, organisations must deliver, innovate and adapt to evolving business landscapes. In 2023, guided by the CEO and CHRO, we transformed our learning strategy to align with organisational needs. Prioritising experiential learning, business fundamentals, client exposure, digital upskilling and improved user experience, all within optimal cost.

Throughout the year, we successfully fulfilled key learning commitments, aligning them with the management's vision, business objectives and employee skill requirements. These priorities encompass the following aspects:

Strengthening digital and business readiness capabilities
Engaged over 2,100 learners in various digital topics, with more than 300 individuals certified in Cloud, Data AI and Agile. Two key pilot programmes set for rollout in 2024 are 'Front Line Experience' for managers to understand frontline roles and 'Leadership Regional Experience' for senior leaders to explore regional business operations.

Cultivating leadership skills
Over 100 leaders undertook courses on innovation, business, digital and leadership from prestigious universities. Additionally, more than 100 managers and key individual contributors received training in problem-solving and process improvement. An immersive cybersecurity simulation experience was conducted for the Board and Senior Management, while a telecommunications 'War Game' simulation experience was organised for Senior Management and emerging leaders to nurture leadership development and business acumen.

Improving and managing our learning ecosystem
Introduced Max Talks, engaging over 1,000 employees, in diverse topics such as Innovation, Gen AI, Agile leadership, e-Waste management, Coaching and the Power of Storytelling. We also launched Disprz, a world-class platform with over 600,000 learning content and AI-driven course recommendations. Various hackathons and knowledge forums were organised to enrich our employees' depth of expertise in various areas.

Total Training Hours

Total Training Hours

Employees Only
98,461

Employees and Contingent Workers
113,312

Digital Capability Learners

2,202
unique employees

Total Training Hours by Employee Category (contribution level)

Employee Category	2021	2022	2023
Senior Management Team	1,017	2,233	**1,253**
Managers	13,784	18,498	**12,689**
Individual Contributors	65,877	91,012	**84,519**

Employee Learning Hours

Year	2021	2022	2023
Total number of employees**	3,913	4,078	**3,803**
Average training hours per employee*	25.95	32.06	**25.99**
Total number of female employees**	1,725	1,780	**1,645**
Average training hours per female employee*	25.38	26.98	**23.38**
Total number of male employees**	2,188	2,298	**2,161**
Average training hours per male employee*	26.40	32.80	**27.97**

Notes:
** Training hours reported exclude mandatory compliance modules.*
*** Includes inactive employees who left Maxis during the year.*

Branding & Talent Acquisition Practices

As Maxis empowers talents towards continuous growth and innovation, we recognise the importance of investing in young talents. Our goal is to position Maxis as a company connecting innovation with opportunities for promising and young individuals to shape the future of where we operate in by investing in and nurturing skillful talents. In 2024, we focused on two main flagship programmes to identify individuals with exceptional skills, passion and leadership qualities.

In May 2023, we continued our commitment to nurture future-driven graduates under Maxis' Flagship Graduate Programme with seven different tracks according to divisions. Our latest intake of graduates consisted of 18 individuals embarking on a three-week onboarding period curated by our Young Talent department, in collaboration with our Learning & Development department. This includes an immersive attachment where these graduates assimilated with Maxis retail stores and contact centres' products, services, customer service and operations.

Each graduate will undertake a one-year rotational programme in their respective business areas, ensuring comprehensive exposure to business needs, operations and offerings.

Number of Applicants for Maxis Graduate Programme

	2021	2022	2023
Number of programmes offered	7	5	**7**
Number of applicants	3,052	1,453	**2,803**
Number of graduates hired	27	20	**18**

Maxis continues its commitment to nurture young talents via the Maxis Scholarship Programme, a flagship initiative for high-potential undergraduate students in relevant business areas. The programme offers annual funding of up to RM40,000, covering tuition, living expenses and educational costs. In 2023, we reviewed 1,168 scholarship applications in total from public and private local universities and granted scholarships to 16 first-year university students demonstrating exceptional leadership qualities, academic excellence and co-curricular achievements through a rigorous assessment and application process.

Since 2005, Maxis has been investing in young undergraduates, providing academic and internship opportunities to cultivate knowledge and skills before entering the workforce upon graduation. This initiative demonstrates a commitment to making a positive impact by enriching the lives of communities in areas where we operate in.

DELIVERING SUSTAINABLE VALUE

Number of Recipients for Maxis Scholarship Programmes

	2021	2022	2023
Number of recipients for Maxis Tech Scholarship	9	5	**5**
Number of recipients for Maxis Young Leaders Scholarship	5	7	**5**
Number of recipients for Maxis Women in Tech Scholarship	7	7	**6**

Total Amount Invested in Maxis Scholarship from 2021-2023 (RM)

As Maxis strives to leave a lasting impact on the lives of young undergraduates and graduates, shaping them into future leaders in our industry, we view these flagship programmes as a long-term investment for young professionals with aspiring careers in the telecommunications and technology sector. These individuals are poised to bring fresh and innovative ideas, reimagining how we achieve our vision of being the nation's leading integrated telco.

These efforts, coupled with our strategic employer brand positioning, garnered recognition and accolades in 2023. Maxis received the following prestigious awards in the employer branding space:

2023 Talentbank Graduates' Choice Awards

(announced in January 2023)

- **Top 1%** of the 25 Most Preferred Graduate Employers in Malaysia
- Ranked **#1** in Telecommunications category
- Ranked **#6** in Technology category

2022 LinkedIn Talent Awards

(announced in January 2023)

- **Winner** Best Employer Brand on LinkedIn
- **Winner** Diversity Champion
- **Finalist** Best Talent Acquisition Team

Employee Experience Awards 2023

Bronze Best Rewards and Recognition Programme

GradMalaysia Malaysia's 100 Leading Graduate Employers 2023

Bronze Best Rewards and Recognition Programme

GRADUAN Brand Awards 2023

2nd Runner-up in Telecommunications categrory

2024 Talentbank Graduates' Choice Awards

(announced in December 2023)

- **Top 1%** of the 25 Most Preferred Graduate Employers in Malaysia
- Ranked **#1** in Telecommunications category
- Ranked **#5** in Technology category

Empowering Internal Talent

At Maxis, our commitment to foster professional growth encompasses both vertical and horizontal career advancements through our IGrow policies. Reflecting on the past year, we are proud to deploy initiatives to empower our employees to take ownership of their careers and evolve alongside our Company. Demonstrating our commitment to talent mobility, 18% or 687 of our employees underwent job rotations or horizontal movements in 2023.

In addition, we hosted IGrow Day – an event to guide our employees in exploring career development opportunities within Maxis. The event featured exhibition booths managed by the respective People & Organisation (P&O) COEs, fireside chats and panel discussions, where Senior Leaders shared their growth experiences.

During IGrow Day, we introduced a new platform, Opportunity Marketplace, offering employees the chance to engage in Gig Project Opportunities within or outside their divisions. The Gig Project concept serves as a platform for building new experiences and skills, with 96 employees participating in Gig Projects, completing 15 projects to date.

From a talent acquisition standpoint, our team has prioritised internal employee applications for business stakeholders, creating opportunities within the organisation. The #AskRecruiter sessions facilitated this process, resulting in 46 internal job transfers, constituting 13% of the total hiring by the Talent Acquisition team in 2023.
In conclusion, these programmes navigate the evolving talent landscape by emphasising cross-divisional learning to retain talent. We believe that providing growth opportunities enhances talent mobility, ensuring engagement through on-the-job learning and future-proofing our organisation.

Engaging the Best Talent in their Fields

In the past year, we focused on enhancing employee engagement, celebrating unique festive seasons and fostering connections through activities such as Maxis Sports Day, the #lifeatmaxis eSports Tournament, KL City Tour Challenge, Maxis Treasure Hunt and #Recharge – Grand Prix Showdown.

We also started welcoming employees to Return-to-Office full time with the implementation of Flexible Start-of-Work time to enable flexibility in working hours and prioritise productivity.

Over the past two years, we have ingrained a culture of taking time off for rest and rejuvenation. Employees are given the freedom to choose when to enjoy a minimum of five consecutive working days of Block Leave per calendar year.

We prioritise the health and well-being of our talents to help them achieve their optimum potential and enhance productivity at work by introducing Mental Health Resilience Toolkits under Maxis P.O.S.I.T.I.V.E to support employee well-being and resilience. This initiative aims to help employees stay agile and better cope with life's challenges, both at home and in the workplace.

In our commitment to fostering an agile and high-performing culture, coupled with an effective performance management process system, we optimised our framework and methodology to drive productivity and performance for a sustainable and impactful outcome at Maxis.

Building Agile and Competent Digital Talent

Our people are vital contributors and are our biggest asset, playing a crucial role in enabling all our value creation activities. We are proud that Maxis today is powered by over 3,700 driven and passionate industry experts, an inclusive and diverse workforce in gender, age, ethnicity, and experience, reflective of the multitude of customers we serve. We have enabled our people by providing state-of-the-art digital tools to maximise their productivity and effectiveness.

In Maxis, we embrace the principle that collaboration fuels innovation and will continue to work closely with major players in the digital, data and cloud industry such as AWS, Google, and Microsoft to name a few. This enables our people to be exposed to best-in-class global practices and skills development in the areas of Digital Platforms, Robotic Process Automation, Data Science and Analytics, Machine Learning, Generative AI, and Cybersecurity, as these are areas that we have identified as important for the sustainability of our organisation.

We continue to prioritise upskilling our talents with digital skills and instilling a digital innovation culture through hackathons, fostering agile ways of working and collaboration.

EQUAL OPPORTUNITY WORKFORCE & EMPLOYMENT

In a world driven by innovation and progress, Maxis remains steadfast in cultivating a workplace that champions inclusion, diversity and supports human rights.

We comply with all local laws and regulations in safeguarding our stakeholders. Rooted in international standards, our Code of Business Practice addresses industry-specific exposures. We believe it is our responsibility to adopt grievance mechanisms, conduct due diligence and communicate expectations to personnel and third parties.

DELIVERING SUSTAINABLE VALUE

At Maxis, we firmly believe in upholding the fundamental rights and dignity of every individual. As part of our commitment to corporate responsibility and ethical business practices, we have established robust policies aimed at preventing human rights violations within our operations and supply chain and at the same time, providing a safe space for employees to come forward in ensuring a secure workspace.

By upholding strong policies and our zero-tolerance stance to prioritise the wellbeing and safety of our workforce, we are not only fulfilling our ethical responsibilities as a corporate citizen but also contributing to the long-term success and sustainability of our business.

Maxis goes beyond embracing the concept of equal employment opportunities, we actively turn it into a reality. Initiatives such as employee resource groups, including 'Women at Maxis' and 'Youth at Maxis', serve as dynamic platforms for employees to connect, exchange experiences and actively participate in the ongoing dialogue about inclusivity. The 'Women@Maxis Mentoring Programme' which was launched in November 2023, further underscores professional growth for women at Maxis.

In our commitment to foster an inclusive workplace, we organised Diversity Day to engage employees in workshops, fun activities, raising awareness on diversity and inclusion. These initiatives aim to facilitate mutual learning and fortify the bonds that unite us as a cohesive team. Additionally, Maxis participates in external events such as Girls in Tech Conference and Women Who Code, contributing to the broader conversation on equality.

Maxis is steadfast in its commitment to nurture a diverse workplace that reflects the richness of human experience. The journey towards equality is continuous, driven by the belief that strength lies in diversity, promoting continuous success and fostering an environment where all individuals can thrive. We believe in advancing progress, innovation and shaping a future that values the uniqueness of every individual.

Upholding Human Rights

In addition, we strive to protect and respect the rights of all our employees, providing a platform for employees to report complaints on human rights violations, including instances of discrimination, harassment and bullying in the workplace. Employees are encouraged to report such cases to managers, the human resource team, whistleblowing channels or directly to the compliance team, without fear of retaliation or reprisal. In 2023, one case of human rights violation was recorded which resulted in termination of employment. Maxis practices zero tolerance to human rights violation wherein all reported cases are thoroughly investigated and appropriate measures were taken to resolve these issues in compliance with the Malaysian laws and best practices. In the following years, we intend to enhance assessment and reporting of human rights violations across our supply chain.

Maxis' Employee Profile

At Maxis, we value the diversity of individuals from various backgrounds who contribute unique skills and perspectives.

Number of Permanent & Contract Employees and Gender Breakdown

	Female				Male			
	Permanent		Contract		Permanent		Contract	
Year	Number of employees	Percentage (%)	Number of employees	Percentage (%)	Number of employees	Percentage (%)	Number of employees	Percentage (%)
2021	1,671	43%	25	1%	2,116	55%	47	1%
2022	1,742	43%	29	1%	2,236	55%	59	1%
2023	**1,549**	**42%**	**25**	**1%**	**2,060**	**56%**	**48**	**1%**

Percentage of Employees by Gender for Each Employee Category

	2021		2022		2023	
Employee Category	Male	Female	Male	Female	Male	Female
Senior Management Team	75.4%	24.6%	74.6%	25.4%	**74.5%**	**25.5%**
Managers	62.1%	37.9%	62.6%	37.4%	**61.9%**	**38.1%**
Individual Contributors (IC)	54.8%	45.2%	55.3%	44.7%	**56.2%**	**43.8%**

Percentage of Employees by Age for Each Employee Category

	2021			2022			2023		
Age Group	Senior Management	Managers	IC	Senior Management	Managers	IC	Senior Management	Managers	IC
Below 30	0%	2%	17.2%	0%	0.6%	17.0%	**0%**	**0.6%**	**15.3%**
30-49	52.4%	80.3%	75.4%	47.3%	79.2%	74.2%	**43.1%**	**78.4%**	**76%**
50 and above	47.6%	17.7%	7.4%	52.7%	20.2%	8.8%	**56.9%**	**21%**	**8.7%**

Number of Employees with Disability

Year	Number of employees with disability	Percentage of employees with disability (%)
2021	5	0.13%
2022	4	0.10%
2023	**6**	**0.17%**

Visually Impaired Agent Pilot Programme

With improvements in assistive technologies, we have seen an opportunity to reach a currently untapped workforce. In 2023, ten visually impaired people joined our focus groups to guide us in making improvements so that our workplace is more accessible to those with disabilities. These focus groups delivered value added services to our customers at our Maxis contact centre.

Number of Employee Turnover by Employee Category

Employee Category	2021	2022	2023
Senior Management Team	4	10	**8**
Managers	48	73	**78**
IC	454	526	**610**
Total	**506**	**609**	**696**

Number of Employees Who Received Annual Performance Feedback

	Number of employees receiving annual performance feedback*		Total number of employees		Percentage (%)	
Year	Female	Male	Female	Male	Female	Male
2021	1,631	2,118	1,723	2,193	95%	97%
2022	1,721	2,210	1,799	2,313	96%	96%
2023	**1,557**	**2,097**	**1,574**	**2,108**	**99%**	**99%**

Note:

* *Annual performance feedback has a dependency on employees' joining date with Maxis*

DELIVERING SUSTAINABLE VALUE

Occupational Health & Safety

At Maxis, the health and safety of our workforce is vital. We comply with all local laws and regulations in safeguarding the health and safety of our employees and customers. We maintain industry standard operating guidelines, set strict targets to reduce health and safety incidents and conduct health and safety audits regularly. To this end, we strictly adhere to stringent Health, Safety, and Environment (HSE) policies and protocols overseen by the dedicated HSE department. This department actively collaborates with stakeholders, managing all aspects of occupational health and safety. Furthermore, comprehensive quarterly reports are submitted to the Audit and Risk Committee (ARC).

COVID-19 Response

Throughout 2023, we remained committed to COVID-19 reporting as part of our COVID-19 management strategy. Besides our vaccination initiatives, we continue to implement rigorous internal procedures and SOPs to coordinate our response, closely aligning with the guidelines provided by the Ministry of Health, National Security Council (NSC) and the Department of Occupational Safety and Health (DOSH).

HSE Training and Awareness

To ensure the safety of our team and to protect them from hazards in the workplace, employees underwent training to develop skills related to the HSE. This encompassed Defensive Driving Training (DDT), Working-At-Heights (WAH), Basic Fire Fighting, Occupational First Aid, Cardio-pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) usage.

As our operations span across diverse locations, it is essential to equip employees with occupational first aid expertise. Apart from general first aid skills, designated personnel at field and selected office sites received training in using AEDs and administering basic first aid responses for effective emergency response. For those working on towers and rooftops, the WAH training provided employees with safe work techniques, covering aspects such as safe climbing and work practices.

Field team members who frequently travel to sites for work, underwent DDT to enhance their skills and awareness. This training promotes safe and responsible driving practices, instilling a proactive mindset in drivers, emphasising strategies to avoid collisions, handle adverse conditions and make informed decisions on the road.

As of December 2023, 6,809 employees have received health and safety training. Maxis conducted a total of 320 briefing and training programmes on health and safety.

Participation of training and awareness programmes on Health, Safety and Environment

Health & safety related training
- Awareness Programme - general and specialised induction.
- Safety and Security Day - planned and ad-hoc briefing for partners and vendors.

2023

6,342 people

(inclusive of HSE e-learning module)

Number of employees and third-party contractors that Received Training for DDT, WAH and CPR.

2023

467 people

Going forward, we will continue to organise employee training to enhance safety training and heighten awareness on the importance of safety throughout our operations.

Training Programmes on Health and Safety	2021	2022	2023
Number of training programmes conducted	136	199	**320**
Completion of the at-risk employees who registered to undergo HSE specialised high-risk training plan sessions	179 (100%)	141 (100%)	**314 (100%)**

HSE Second Surveillance Audit for ISO 45001:2018

In 2023, Maxis successfully completed its second Surveillance Audit for the ISO 45001:2018 Occupational Safety and Health Management System (OSHMS). The primary aim of the ISO 45001 standard is to ensure continuous improvement. The ISO 45001 scope covers Telecommunication Operations and Services for Maxis Broadband Sdn. Bhd.

This obligation also applies to our partners through the Partners HSE System Audit, enforcing a minimum audit criteria of OSHA 1994 and ISO 45001 to ensure their compliance to essential HSE standards. Key partners are expected to attend the Maxis Partners' Forum twice.

HSE Risk Management

As a crucial element of our OSHMS, Maxis engages with diverse stakeholders to identify hazards and evaluate risks using the Company's Hazard Identification, Risk Assessment, and Risk Control (HIRARC) procedure. We also comply with the DOSH Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPOD) Regulations 2004, in conjunction with our HSE policy on Incident Investigation, Non-Conformity and Corrective Action procedure.

HSE Performance

HSE Inspections/ Investigations/Audit	2021	2022	2023
Number of inspections/ investigations conducted	705	773	**777**
Number of Partners System audits conducted	12	25	**41**

In 2023, we have effectively executed both virtual and physical inspections, audits and Safety & Security Day for Maxis, a practice endorsed by DOSH and National Institute of Occupational Safety and Health (NIOSH) since the onset of the pandemic. During these assessments, our HSE personnel ensured compliance with SOPs, evaluate housekeeping standards, assess employees' understanding of requirements and verify the Company's adherence to provide a reasonably safe working environment for our employees. There were no employee or contractor fatalities recorded, in the year under review.

Lost-Time Incident	2021	2022	2023
Employee Lost-Time Incident (LTI) Rate	0.05	0.04	**0.34**
Employee Lost-Time Incident Frequency (LTIF) Rate	0.27	0.18	**1.70**

An LTI refers to an injury sustained by a Maxis employee or contractor during the performance of a work-related task, rendering them incapable of performing their regular duties for a period following the incident.

LTIFR is calculated as the number of lost-time injuries that occurred during work-related tasks for Maxis, per 1 million hours worked.

Employee Lost-Time Incident

Office/Site
In 2023, there were 10 incidents resulting in 10 employee-related minor work injuries.

Vehicle-Related Accident
In 2023, there were three employee vehicle-related accidents resulting in one major injury and two minor injuries.

Contractor Lost-Time Incident

Office/Site
In 2023, there was an incident resulting in a contractor employee sustaining a minor injury.

The increased case numbers for lost-time incident in 2023, as compared to 2022, can be attributed to the heightened working exposure in both office and sites, given the larger number of employees returning to the office and a full resumption of all work activities in accordance with pre-pandemic period. This aligns with the government's SOP, which has completely lifted all restrictions on working in the office/site. However, the lost workdays due to incidents in 2023 was 43% lower than the pre-pandemic period.

COMMUNITY DEVELOPMENT

In upholding our commitment to community empowerment, we carried out initiatives emphasising on education, entrepreneurship, digital inclusion, digital literacy and disaster relief. Our mission is to use technology as a catalyst for community enhancement. We aspire to improve lives, foster inclusivity and establish sustainable digital ecosystems. By leveraging our unique position as a leading integrated telco in the country, we actively collaborate with the local communities and NGOs, focusing on three core areas:

- **Enabling greater access to digital learning for students in rural communities.**
- **Empowering entrepreneurs and micro-SMEs with digital marketing skills.**
- **Reaching out to the vulnerable communities during festive seasons and providing humanitarian relief in times of difficulty such as natural disasters.**

DELIVERING SUSTAINABLE VALUE

Overview of Our Community Investment

Community Initiatives	RM'000 2021	RM'000 2022	RM'000 2023
Enabling greater access to digital learning for students in rural communities			
eKelas® programme	1,538	1,028	**1,405**
Refurbished laptops/desktops donations	51	10	**45**
Empowering entrepreneurs and micro-SMEs			
eKelas® Usahawan programme	246	284	**290**
Capacity building for Rakan Digital in Pusat Ekonomi Digital (PEDi)*	-	1,400	**1,227**
Reaching out to the vulnerable communities during festive seasons and providing humanitarian relief in times of difficulty such as natural disasters			
Care for vulnerable communities during festivities	105	64	**112**
Humanitarian relief in challenging times	446	819	**100**
Sponsorships			
Sponsorships of communications services for community initiatives and events	-	358	**-**
Total	**2,386**	**3,963**	**3,179**

Note:
* *PEDi is also known as the Malaysian Digital Economy Centre, an initiative under MCMC to improve socioeconomic level of communities with exposure to digital skills.*

Enabling greater access to digital learning for students, especially in rural communities

We help unlock students' potential by facilitating broader digital learning access, ensuring equal opportunities for all students especially those in remote areas.

eKelas® Programme

Launched in 2016, eKelas® focuses on improving student outcomes in primary and secondary schools throughout Malaysia. The programme, accessible through the eKelas® portal and app, aims to overcome barriers to digital inclusion and offer learning support to help students develop the skills, knowledge and capabilities needed for their academic successes. eKelas® provides curriculum-aligned content and learning activities for Malaysian students aged from 10 to 17. To date, eKelas® has benefitted the lives of over 95,000 students registered on the portal across the country.

In 2023, we continued to partner with the Ministry of Education (MoE) by collaborating with its Sports, Co-curricular and Arts and Educational Technology and Resources Divisions, working together the State and District Education Departments. We achieved a significant milestone by joining DELIMa, the Ministry of Education's Digital Educational Learning Initiative Malaysia. Being part of DELIMa, Malaysian students from primary to secondary schools, teachers, and education leaders can sign into eKelas® with their DELIMa ID, and readily access eKelas®' extensive breadth of free learning content including online workshops, exam clinics and webinars.

“We welcome Maxis eKelas® as our new Rakan DELIMa partner and look forward to exploring greater collaboration with Maxis. This aligns well with the new national Digital Education Policy (DEP), where we involve strategic partners as a catalyst for digital education who share the same vision – to nurture digitally fluent students.”

Tuan Zainal Abas, Director of the Educational Resources and Technology Division, MoE Malaysia.

We have also entered into a Memorandum of Agreement (MOA) with UiTM. This collaboration aims to create engaging videos in the subjects of Science, Mathematics, and English. By partnering with UiTM's senior lecturers and students, the initiative aims to develop up to 100 videos featuring real-life role plays, experiments and animations. These educational resources are made accessible to students through the eKelas® portal and app.

The Impact

- In 2023, we added 26,216 new users to the eKelas® portal. The following table illustrates a positive trend in both students' enrolment and the number of schools reached through eKelas®:

Number of students registered with eKelas® for the year	Total number of enrolled students since 2016	Total number of schools reached
2023: 26,216	2023: 99,216	2023: 2,861
2022: 22,700	2022: 73,000	2022: 2,184
2021: 24,300	2021: 50,300	2021: 625

Throughout the year, eKelas® made significant impacts by providing students with diverse learning experiences and skill acquisition opportunities, including:

- **Flexible Learning Environment** – Empowered students in the country to learn seamlessly anytime and anywhere by providing a user-friendly interface, personalised recommendations, performance analytics and engaging gamified features.
- **Extensive Learning Resources** – Provided students with open access to a curated collection of over 3,000 bite-sized content comprising revision and learning videos, exam notes, reading materials and lesson plans in various subjects such as Mathematics, English, Science, Bahasa Melayu and History.
- **Exam Preparation Assistance** – Offering students expert exam preparation support through partnerships with online tuition centres like MC Plus and Cikgu Cemerlang, highlighted by the complimentary #HebatDalamExam Accelerated SPM Clinic in January and December 2023.
- **Building Critical Skills through Competitions** – Leveraged eKelas® to elevate students' preparedness for competitions focused on building their critical skills:

  1. The Highly Immersive Programme (HIP), **eKelas® students** stood out in the HIP StoryFest English Competition, earning MoE-recognised co-curricular marks. In 2023, **participation soared by 60%, with over 8,000 students joining** this engaging competition aimed at boosting confidence to speak in English.
  2. The Misi Jelajah Digital (Digital Exploration Mission), a nationwide STEM challenge, **attracted 850 students in 2023 – a notable 47% increase** from the previous year. This initiative not only developed problem-solving skills but also provided valuable exposure to technology careers through videos, notes, modules and expert-led workshops.

Our direct engagement with students in 2023

	HIP Storyfest	Misi Jelajah Digital (Digital Exploration Mission)
No. of schools	13	40
No. of students	4,339	8,000

Refurbished Laptops/Desktops Donations

In upholding our commitment to expanding internet access and digital education, we continued to contribute refurbished laptops to schools nationwide in October 2023, building upon our efforts that began in 2022.

The Impact

As 2023 concluded, Maxis celebrated the successful donation of 71 refurbished units to nine schools. Beyond the tangible contribution of devices, our commitment extended to actively advocating for the enrolment of students in our eKelas® programme. Through these efforts, we ensure that a greater number of students could access and benefit from the educational opportunities offered by the eKelas® initiative.

DELIVERING SUSTAINABLE VALUE

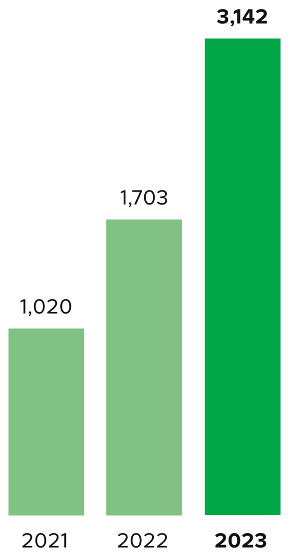
Empowering entrepreneurs and micro-SMEs with digital marketing skills

We play a pivotal role in fostering economic empowerment for entrepreneurs and micro-SMEs, providing them with vital digital marketing skills.

eKelas® Usahawan programme

In the post-pandemic world, digital skills are crucial for everyone to participate in the digital economy. Through our digital marketing programme, eKelas® Usahawan, we provide free workshops specifically tailored for micro entrepreneurs and small businesses specifically for those from the B40 segment to help improve their digital presence. Over 5,800 participants have been trained under the programme since its inception in 2021.

Number of enterprises trained for the year



The Impact

In 2023, eKelas® Usahawan held 34 physical workshops and webinars for a total of 3,142 entrepreneurs across Miri, Kuantan, Langkawi, Pasir Mas and other localities nationwide in partnership with 20 NGOs and agencies.

With modules covering digital marketing and strategy, digital photography and graphic design, copywriting, and campaign planning, our programme utilises a hybrid approach—conducting sessions through webinars and physical workshops nationwide. Overall, the programme received positive feedback from the participants with evaluation metrics reporting 94.17% satisfaction in training quality.

After attending the workshop, I learned how to narrow my focus when advertising for a niche audience. Putting my newly acquired knowledge into action, I tested it with one online ad, and it has proven to be effective! *said Nur Syahirah binti Barhan, owner of an optical shop in Miri, Sarawak.*

Reaching the right target market was one of the challenges for our business. Thanks to what we've learned from eKelas® Usahawan workshop, we now know more effective ways to identify our target audience and improve engagement with our customers, *said Najwa Natasha Che Nasir, owner of a jewellery shop in Kota Bharu, Kelantan.*

When I joined the bandwagon of online business, I was following market trends without conducting proper research, which led to low traction for my business. After the workshop, I've learnt to better understand my customers and was also able to create quality content that tailored to their needs, *said Dzunija Binti Jaldin, owner of a homemade product business in Kota Belud, Sabah.*

Reaching out to the vulnerable communities during festive seasons and providing humanitarian relief in times of difficulty

In line with our commitment to society's vulnerable segments, we extend assistance during festive seasons and deliver essential humanitarian relief particularly in times of adversity such as natural disasters.

Care for Vulnerable Communities During Festivities

In the spirit of compassion, our festive outreach initiatives bring hope and support to vulnerable groups. Committed to inclusivity, during the festive seasons of 2023 such as Chinese New Year, Hari Raya, Deepavali and Christmas, we reached out to senior citizens, B40 individuals and families, students and single mothers.

The Impact

We collaborated with NGOs to spread holiday cheer, fostering joy and togetherness within diverse communities facing various challenges. Our support initiatives involved distributing over care packages, benefiting individuals from vulnerable groups. These care packages include:

- essential items
- food aid
- vouchers
- refurbished desktops
- back-to-school packs

Humanitarian Relief in Challenging Times

Our humanitarian relief priorities include assisting emergency services organisations with their connectivity requirements, restoring services to our customers and premises clean-ups during natural disasters.

The Impact

In 2023, we:

- Partnered with the Ministry of Communications and Digital (KKD) for Operasi Bantuan Pasca Banjir to provide essential food aid to flood victims in Johor and distributed 1,000 food boxes in locations identified by Jabatan Penerangan Malaysia (JAPEN) under KKD.
- Contributed additional 200 food boxes in December to families impacted by flood in Kelantan.
- Ensured standby power generators at tower sites and maintained a fleet of mobile communications vehicles, prioritising reliable mobile connectivity in flood-affected areas.
- Elevated over 60 high-risk network sites nationwide to prevent submersion during floods.
- Deployed field response team equipped with boats and personnel trained by the Royal Marine Police Academy for safety and rescue operations during flood incidents.
- Provided regional teams equipped with drones for aerial surveillance in flooded and hard-to-reach areas.

Employee-Driven Support for Community

We empower our employees to contribute positively by offering them opportunities through our comprehensive volunteerism programme, mSquad. This initiative harnesses the collective energy of our workforce, encouraging them to actively engage with local communities by providing training support and enabling knowledge-sharing.

The Impact

Maxis' mSquad	2021	2022	2023
Volunteering hours by employees	1,056[2]	1,355	**4,803**
Volunteering value[1] (RM)	48,649	64,474	**228,538**

Notes:

[1] *Total value of volunteer hours is calculated as follows: Volunteering value = Average Hourly Rate x Total Maxis Volunteering Hours.*

[2] *Volunteer hours in 2021 comprised virtual volunteering as well as limited physical volunteering as we ensured strict compliance to the SOP during the pandemic period.*

DELIVERING SUSTAINABLE VALUE

GOVERNANCE

- Ethical Business Practice
- Supply Chain Management
- Regulatory Compliance
- Data Privacy & Protection

EMBEDDING RESPONSIBLE BUSINESS PRACTICES

At Maxis, we strive to create a work environment where each employee thrives, fostering a culture of collaboration, continuous learning and empowerment. We continue to provide equal opportunities and invest in attracting, retaining and developing top talent, driving innovation and success. We also consistently invest in the communities around us by leveraging on technology to create empowerment opportunities.

Ethical Business Practice

At Maxis, our core operations are defined by an unwavering commitment to combat bribery and corruption, setting the bar for the highest ethical standards in the industry. Operating under a strict zero-tolerance policy, we ensure full compliance with local anti-corruption laws, regulations and policies. Our dedicated Integrity and Governance Unit (IGU) is in charge of driving this commitment. It is actively engaged in implementing, monitoring and continually enhancing anti-corruption controls within Maxis.

Maxis' strategic approach to eradicating corruption is facilitated further through the forward-thinking Maxis Integrity & Compliance framework (MICF) and robust Anti-Money Laundering/Countering Financial Terrorism (AML/CFT) initiatives. The MICF, developed on the principles outlined in the Guidelines of Adequate Procedures pursuant to section 17A(5) of the Malaysian Anti-Corruption Act 2009 that promotes integrity and compliance within our organisation while providing a robust shield against corporate liability.

Maxis' management is dedicated to fostering a culture of integrity and ethical conduct throughout the organisation. Accountability for corporate governance lies with the Board and is regularly reviewed and monitored for full compliance. Our Anti-Bribery & Corruption Programme includes guidelines, ethical consultations, monitoring and regular training to deter non-compliance.

Maxis Anti-Bribery Management (MABC) System

We have consistently and strategically enforced our MABC System organisation-wide to ensure ethical conduct of our directors, employees and representatives. This system strictly prohibits bribery, money laundering, and facilitation payments in all business transactions.

The IGU ensures the continuous implementation, compliance, enhancement, enforcement and effectiveness of the MABC System to fight against corruption, money laundering and financing terrorism risk activities. The overall effectiveness and implementation of the MABC has also been enhanced due to the ISO37001:2016 Anti Bribery Management System certification that was obtained in November 2022. This year signifies our achievement of Zero Non-Conformity Reports during the ISO37001:2016 ABMS Surveillance Audit, which stands as a testament to our resolute pursuit of governance excellence.

Number of confirmed incidents of non-compliance with MABC Policies

	2021	2022	2023
Number of Employees who were Disciplined or Dismissed due to Non-Compliance with MABC Policies*	18	2	**0**

Note:
* *All non-compliances and violations of MABC System will lead to consequential management. We have enhanced our methodology for 2023 to ensure alignment with best practices.*

Corruption Risk Management (CRM)

In addressing bribery risks across our entire organisation, we employ CRM as our approach. This system involves evaluating associated risks, reviewing policies and procedures and implementing effective anti-bribery controls.

Within our CRM procedures, we identify structural weaknesses that may pose a risk of corruption. Additionally, we foster active employee engagement in identifying potential risk factors and proposing mitigation measures.

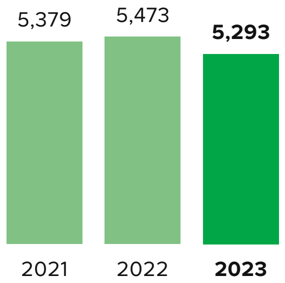
Percentage of operations assessed for corruption-related risks

Year	Total number of operations	Total number of operations assessed for corruption-related risks	Percentage of operations assessed for corruption-related risks
2021	11 divisions	11 divisions	100%
2022	11 divisions	11 divisions	100%
2023	**11 divisions**	**11 divisions**	**100%**

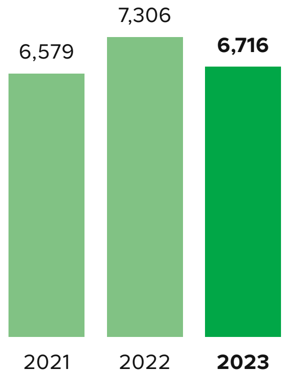
Our Commitment to Uncompromising Integrity

We mandate all employees to attend essential training sessions covering Maxis' Code of Business Practice (CoBP) and Anti-Bribery and Corruption policies in fostering a robust ethical environment:

Number of Employees Who Received Training on Maxis' CoBP via Maxis Academy*



Number of Employees Who Received Training Related to Anti-Corruption and Bribery



* *Employee training included all current Maxis employees and Third-Party Contract Staff at the point of rollout*

Year	Percentage of employees who have received training on anti-corruption by employee category					
	Individual Contributors		Managers		Senior Management	
	Total no. of employees	Percentage (%)	Total no. of employees	Percentage (%)	Total no. of employees	Percentage (%)
2021	6,024	100%	495	100%	60	100%
2022	6,721	100%	531	100%	54	100%
2023	**5,738**	**100%**	**529**	**100%**	**55**	**100%**

Note: *All Maxis Directors, including the Chairman, completed their Anti-Bribery & Corruption training for 2023 and renewed their Integrity Pledge on November 9, 2023, led by the Head of IGU.*

Maxis Integrity Corporate Advocacy Programme (MICAP)

Maxis Integrity Corporate Advocacy Programme (MICAP) has been an integral component of our ongoing efforts to prevent bribery and corruption. In December 2023, we at Maxis celebrated the International Anti-Corruption Day as part of the MICAP initiative. We hosted an Advanced Technology Working Group session on December 6, 2023, in collaboration with the Business Integrity Alliance (BIA), founded and led by Dr. Mark Lovatt. The primary focus of the session was to explore technologies that can contribute to greater success in the governance, risk and compliance field.

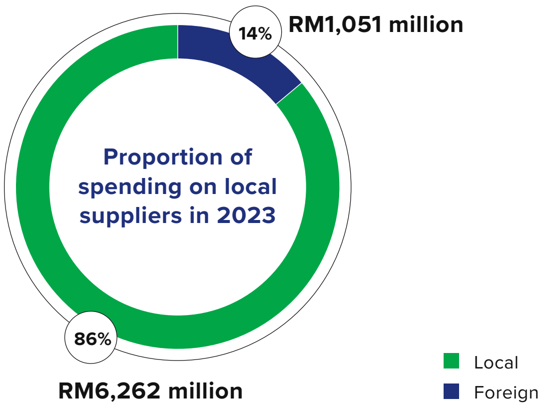
We had speakers from notable organisations such as Access Blockchain Association Malaysia, Chainalysis, IBM, and Ernst & Young. Approximately 40 compliance and ethics officers from various corporations, including Khazanah Nasional Berhad, Shell, Sime Darby Berhad, PETRONAS, and Kumpulan Wang Persaraan (Diperbadankan) (KWAP), attended the session. During the event, we shared Maxis' Integrity Journey, highlighting our commitment against bribery and corruption, along with our compliance with ISO 37001:2016 ABMS.

DELIVERING SUSTAINABLE VALUE

Following this, we organised Movie Time Week from 11-14 December 2023. The event featured screenings of international films at The Bazaar, Maxis Academy (L5), Menara Maxis. The selected films revolved around themes of anti-corruption, money laundering, and whistleblowing which includes "The Laundromat" (2019), "Official Secrets" (2019), "The Great Hack" (2019) and "The Insider" (1999).

Supply Chain Management

Improved supply chain management with responsible procurement



Total

RM7,313 million

Responsible Procurement Practices

Responsible procurement is crucial for Maxis as it widely addresses areas such as professional integrity, confidentiality obligations, conflict of interest and segregation of duties, amongst others. We continue to be guided by our robust procurement policies and procedures which outline the entire process of sourcing, selecting and evaluating the performances of suppliers. Our suppliers are evaluated and chosen based on their adherence to technical and commercial criteria accordingly to the Maxis standards. This method not only fosters healthy competition among suppliers, but also presents growth prospects for emerging businesses.

Our holistic approach also ensures that our suppliers undergo proper assessment and due diligence before being officially appointed, enabling us to effectively mitigate the risk of potential corrupt practices. Additionally, our potential suppliers are also required to undergo our vendor onboarding process, submit their business and financial documentation for evaluation and acknowledge our Maxis Code of Business Practice for Third Parties.

Upholding Procurement Governance

Our procurement policies and procedures establish the benchmark for all procurement activities throughout Maxis. Adhering to the policies enable us to achieve operational excellence in the procurement of products and services and delivering the best overall value for Maxis. Our suppliers are expected to deliver and exceed our expectations when it comes to quality and cost in turn we ensure that we build a robust relationship and engage with our suppliers for them to meet our standards.

Our MCOBP incorporates guidelines to facilitate third-party compliance with our business conduct across all transactions with external parties. All third parties that we engage must read, comprehend, and commit to complying with the MCOBP upon official collaboration. Additionally, Maxis' IGU conducts an annual Vendor Integrity Programme to enhance awareness of our zero-tolerance policy for bribery and corruption among external entities.

Third Party Training on Anti-Bribery and Corruption

Vendor Integrity Programme

2021	2022	2023
8 sessions	**14 sessions**	**12 sessions**

Our Vendor Management team also assesses our key suppliers to ensure that they maintain their performance on top of staying progressive in delivering.

We strive to achieve timely delivery and ample supplies through continuous communication with our suppliers. To further support timely delivery, we proactively plan for our business needs by identifying and securing alternative sources when required. In our Source to Contract framework, we have enhanced processes and technology tools which enables online interactions with our suppliers throughout the onboarding, tendering, and contracting stages. This process ensures transparency and facilitates proper audit trails in our procurement operations.

OUTLOOK

We are moving towards embedding automation and technology to drive efficiency in our procurement process. Simultaneously, we will continue to strengthen transparency and implement robust governance and controls to mitigate our risk exposure.

With our digital platforms and tools, we can establish distinct roles and responsibilities for stakeholders involved based on frameworks formed across category management, sourcing, contract management, and supplier relationship management. Our objective is to cultivate successful partnerships with suppliers, ensuring the delivery of quality products and services for Maxis while simultaneously, monitoring our transactional suppliers to optimise spend.

We have planned our journey in achieving a sustainable supply chain according to:

Short-term plans: 1-2 years

- Continuous process simplification and improvement review to support our go-to-market through technology enablement.
- Enhance standardised contract management framework across the board with clearly defined roles and responsibilities and expectations.
- Uphold zero tolerance to unethical business conducts while striking a balance between adequate controls and business requirements.

Medium-term plans: 2-5 years

- Further explore automation and AI capability enablement for improved operational efficiency while staying focused on strategic initiatives.
- Incorporate sustainability elements into our supply chain in line with Maxis' sustainability ambition and commitment.

Long-term plans: 5 years and beyond

- Establish a mature supplier relationship management with suppliers, benefitting from strategic collaboration in addressing performance issues, joint development programmes and other improvement opportunities.

Data Privacy & Protection

Maxis prioritises the importance of data privacy and protection of personal data

To this end, we empower individuals to control the personal data that we process, and we have a dedicated Data Privacy Office (DPO) that oversees our comprehensive Data Privacy and Protection Programme.

Our robust Data Privacy and Protection Programme ensures compliance with Malaysia's Personal Data Protection Act 2010 (PDPA), Personal Data Protection Code of Practice for Communications Sector 2017 and related regulations

We have comprehensive policies and procedures for handling personal data across all our operations, that are regularly updated to reflect any legal changes. Furthermore, Maxis has a dedicated team that investigates alleged data privacy incidents and breaches. The DPO closely monitors new data privacy and protection laws and actively participate in industry and cross-industries discussions on data privacy and protection regulations to ensure that we are always kept abreast of the most recent updates. The DPO also regularly monitors and assesses risks to ensure compliance and identify areas for improvement.

98% **of Maxis employees that received data privacy and protection training**

ZERO **substantiated complaints concerning breaches of customer privacy and losses of customer data in 2023**

Cybersecurity

Enhancing cyber resilience continues to be a key priority for Maxis as we face evolving and increasingly sophisticated threats. We remain focused on implementing core capabilities to anticipate, withstand, rapidly recover and adapt to cyberattacks aiming to compromise our systems and customer data. We continue to focus on our three strategic cybersecurity pillars: Protecting the Brand and Ensuring Compliance, Embedding Security in Our DNA, and Strengthening Cyber Resilience while actively supporting our digital ambitions.

We actively engage with regulators such as MCMC and the National Cybersecurity Agency (NACSA) to collaborate and contribute towards combating cybersecurity issues, including through participation in industry-wide initiatives to uplift national cyber resilience.

By taking a comprehensive approach to cybersecurity and fostering strategic partnerships, we aim to always be ahead of threats and maintain security for our networks, applications, and customers' data.

2023 and Our Commitment to Continuous Improvement

Maxis has achieved significant milestones, demonstrating our commitment to global standards. We have renewed our ISO 27001 certification for our Information Security Management System (ISMS) across our Cloud Infrastructure, Voice and Data Networks, Enterprise Managed Services and Key Data Centres without any non-compliances. We have gradually increased our scope to cover cloud infrastructure and key applications. Audited by SIRIM, the ISMS scope highlights robust policies and controls safeguarding infrastructure and information. Maxis also maintains PCI DSS compliance providing stringent protections for our customer payment systems and data.

In addition to these certifications, we have launched proactive initiatives to engage the security community and customers. Our Vulnerability Disclosure Programme (VDP) and Bug Bounty offerings recognise and reward ethical hackers for identifying and reporting potential vulnerabilities responsibly. This allows us to tap into a wider pool of expertise to strengthen our defenses.

By conforming to internationally recognised best practices and proactively partnering with the community, customers can remain confident in the security and compliance of Maxis' offerings.

Protecting Our Brand and Ensuring Compliance

Protecting our brand and ensuring compliance remain key priorities. This year, we increased our vulnerability management coverage across the cloud, containers and applications in our continuous integration and continuous deployment or CI/CD pipelines and application

DELIVERING SUSTAINABLE VALUE

programming interface or API. We achieved a significant milestone in vulnerability remediation this year. Through increased automation, we strengthened defences against 45% more vulnerabilities compared to last year. We continued investments and process improvements in security for our 4G/5G networks, cloud and APIs with focused automation efforts aligned with business growth in these areas.

Protecting customers remains at the heart of our cybersecurity strategy as cyber risks intensify. We doubled the takedown of fake applications and malicious URLs over the last year, proactively combating cyber fraud and threats targeting our customers. To reinforce data protection, we enhanced controls across several fronts. We expanded data encryption coverage and implemented additional data loss prevention measures through increased monitoring, automated alerts and analytics. Access policies were tightened via strengthened identity and access management controls. Data classification tiers were also simplified to facilitate accurate sensitivity labelling for information assets. Leveraging leading database firewalls, we improved detection capabilities to monitor potential PII data leaks from Maxis' systems.

Embedding Security in Our DNA

Embedding security in our DNA involves establishing it as a key part of our culture and workforce. This year, we continued our comprehensive awareness programmes for all staff, focused on key topics such as data protection and key cybersecurity controls. We introduced our Security-Flix channel with multiple episodes showcasing cybersecurity and our Gamification Challenge, where the interactive experience was well received and doubled participation across Maxis. Additionally, we actively conducted phishing simulation campaigns to provide hands-on identification training by replicating actual threats users may encounter via email or messaging.

Targeted training sessions were also provided through initiatives like Hackathons to bolster specific skills, with an emphasis on application security for developers. Strategic partnerships with leading cloud providers including AWS, GCP and Azure enabled specialised education for our cybersecurity and infrastructure teams to improve cloud security expertise. Notably, the active participation and engagement of senior management and Board members in our tabletop exercises offered an opportunity to strengthen cybersecurity preparedness and response planning across the leadership team. Through diverse, immersive training, coupled with participative simulations, we drive security ownership at all levels as a collective responsibility.

Strengthening Cyber Resilience and Supporting Digitalisation

To strengthen cyber resilience while enabling innovation, we pursued several key initiatives this year. We focused on a set of standardised cybersecurity controls across Maxis aligned with industry frameworks. We worked with business teams to identify key business priorities and launched a pilot Security Operating Centre operated fully in the cloud with our partners. We improved the coverage of prevention and detection tools with enhanced incident response processes across cloud, identity, network and endpoints, conditional access, privileged access management and network threat detection to harden critical access points. Through proactive threat hunting, backed by industry intelligence sharing, we were able to avoid potential attacks before realisation. We also reduced the mean time to closure for security incidents by 53% through these initiatives.

Additionally, we prioritised security by design requirements from project inception via reviews for new initiatives. Cloud environments now feature defined guardrails to ensure our security posture and compliance are standardised. Recognising intensifying API threats, we included assessments to validate API security controls. Our emphasis on preventative measures aligns with the proactive threat hunting and response improvements already realised.

OUTLOOK

Our long-term vision focuses on evolving into a cyber-resilient digital telecommunications company. We expect threats against mobile networks, systems and attempts to compromise data to grow more advanced and persistent. At the same time, our interconnected supply chains create new risks. We pre-empt this through our investment into resources, capabilities, AI/ML (machine learning)-led capabilities, targeted automation and strong partnerships. We will continue to expand our monitoring of systems and infrastructure, keeping pace with innovation.

By maintaining conformance to best practice security frameworks and controls, we continue to strengthen protection across assets and attack surfaces. We are committed to collaborating with the government, regulators and law enforcement to uplift national cyber readiness by protecting Malaysia's digital economy. We actively contribute to technical standards and provide feedback on guidelines and policies to progress industry best practices in multiple cybersecurity domains.

Our vision embeds cyber resilience throughout our operations, technology, systems, culture and partnerships, identifying and addressing risks before they occur. We believe realising Malaysia's digital economy requires collaborative, preventative cybersecurity across sectors and Maxis will continue leading this charge.

STATEMENT OF ASSURANCE

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to an internal review by Maxis Internal Assurance and has been approved by the Maxis Audit and Risk Committee.

The Scope covers Maxis operating locations and includes the review of data collection and methodology for 2023 disclosures; and the process and policies governing the selected mandatory Subject Matters. The Scope excludes data disclosed for prior years. The Subject Matters covered under the review include:

Material Matters	Subject Matter
Anti-corruption	Percentage of employees that have received training on anti-corruption by employee category
	Percentage of operations assessed for corruption-related risks
	Confirmed incidence of corruption and action taken
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer
	Total number of beneficiaries of the investment in communities
Diversity	Percentage of employees by gender and age group, for each employee category
	Percentage of directors by gender and age group
Energy management	Total energy consumption
Health & Safety	Number of work-related fatalities
	Lost time incident rate
	Number of employees trained on health and safety standards
Labour practices & standards	Total hours of training by employee category
	Percentage of employees that are contractors or temporary staff
	Total number of employee turnover by employee category
	Number of substantiated complaints concerning human rights violations
Supply chain management	Proportion of spending on local suppliers
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
Water	Total volume of water used
Emissions management	Scope 1 emissions in tonnes of CO_2e
	Scope 2 emissions in tonnes of CO_2e

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management Team	Percentage	100.00
Managers	Percentage	100.00
Individual Contributors	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,473,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	29,374
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Team Below 30	Percentage	0.00
Senior Management Team 30-49	Percentage	43.00
Senior Management Team 50 and above	Percentage	57.00
Managers Below 30	Percentage	1.00
Managers 30-49	Percentage	78.00
Managers 50 and above	Percentage	21.00
Individual Contributors Below 30	Percentage	15.00
Individual Contributors 30-49	Percentage	76.00
Individual Contributors 50 and above	Percentage	9.00
Gender Group by Employee Category		
Senior Management Team Male	Percentage	75.00
Senior Management Team Female	Percentage	25.00
Managers Male	Percentage	62.00
Managers Female	Percentage	38.00
Individual Contributors Male	Percentage	56.00
Individual Contributors Female	Percentage	44.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
40-49	Percentage	20.00
50-59	Percentage	40.00
Above 50	Percentage	40.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	468,800.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.34
Bursa C5(c) Number of employees trained on health and safety standards	Number	6,809
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management Team	Hours	1,253
Managers	Hours	12,689
Individual Contributors	Hours	84,519

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2023
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management Team	Number	8
Managers	Number	78
Individual Contributors	Number	610
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	1
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	86.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	43.224000
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	4,280.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	319,837.00

Internal assurance External assurance No assurance (*)Restated

Note:

1. *Megawatt refers to Megawatt-hours (MWh); 468,800 MWh was converted from 1,687,680,034 MJ.*

BOARD AT A GLANCE

EXPERIENCED, EFFECTIVE & DIVERSE LEADERSHIP

BOARD COMPOSITION

Non-Executive Directors
5

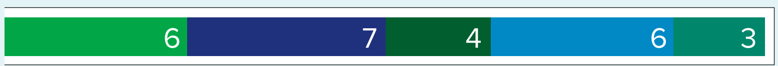
Independent Non-Executive Directors
5

QUALIFICATION AND SPECIFIC INDUSTRY

- Finance and Accounting
- Law
- Engineering/Information Systems
- Business
- Human Capital

SKILLS AND EXPERIENCE

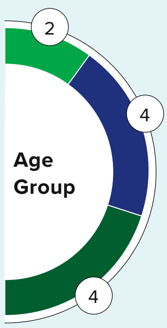
- Telecommunications and Media
- Consumer Related
- Digital/New Technologies
- Investment and Venture Capital
- Human Capital Management



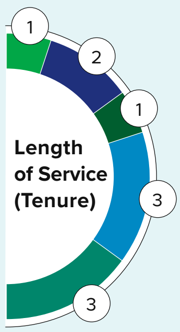
TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

0-5 years
3 Directors

>8 years
2 Directors



- 40-49
- 50-59
- 60 and above



- <1 year
- 1-3 years
- 4-6 years
- 7-9 years
- >9 years

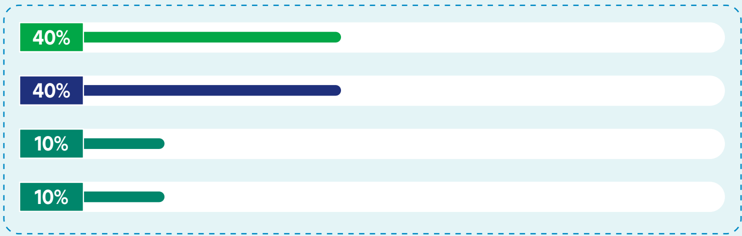
Nationality

Malaysian
6 Directors

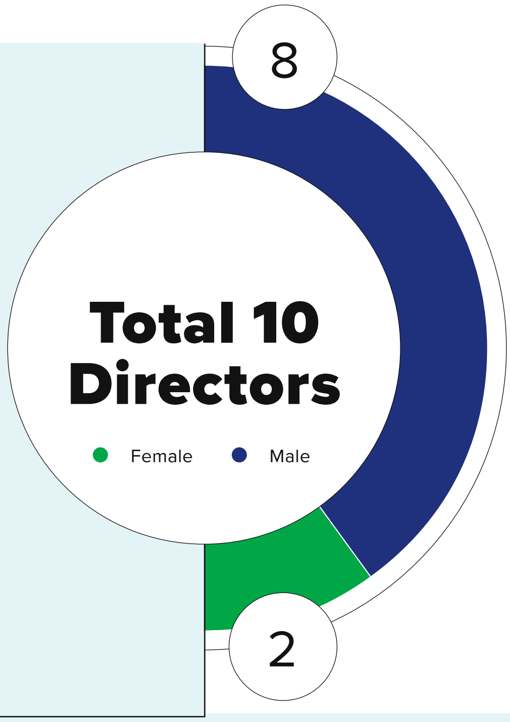
Singaporean
1 Director

Saudi Arabian
3 Directors

TOPICS DISCUSSED AT MEETINGS



- Strategy, Regulatory, Financials, Funding and Risk Management
- Human Capital Management
- Others
- Business Performance, Operations, Network and Stakeholder Management that include Community, Investors and Customers
- Governance and Compliance **Covered for all topics*



BOARD COMMITTEES COMPOSITION

AUDIT AND RISK COMMITTEE

Uthaya Kumar A/L K Vivekananda
Independent Non-Executive Director

Dato' Hamidah Naziadin
Independent Non-Executive Director

Ong Chu Jin Adrian
Independent Non-Executive Director

Ooi Huey Tyng
Independent Non-Executive Director

Mohammed Abdullah K. Alharbi
Non-Executive Director

TRANSFORMATION COMMITTEE

Alvin Michael Hew Thai Kheam
Senior Independent Non-Executive Director

Ooi Huey Tyng
Independent Non-Executive Director

Ong Chu Jin Adrian
Independent Non-Executive Director

Abdulaziz Abdullah M. Alghamdi
Non-Executive Director

Lim Ghee Keong
Non-Executive Director

SHARE ISSUANCE COMMITTEE

Tan Sri Mokhzani Bin Mahathir
Chairman/Non-Executive Director

Abdulaziz Abdullah M. Alghamdi
Non-Executive Director

Lim Ghee Keong
Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Dato' Hamidah Naziadin
Independent Non-Executive Director

Alvin Michael Hew Thai Kheam
Senior Independent Non-Executive Director

Uthaya Kumar A/L K Vivekananda
Independent Non-Executive Director

Ooi Huey Tyng
Independent Non-Executive Director

Mazen Ahmed M. AlJubeir
Non-Executive Director

Lim Ghee Keong
Non-Executive Director

GOVERNMENT AND REGULATORY AFFAIRS COMMITTEE

Tan Sri Mokhzani Bin Mahathir
Chairman/Non-Executive Director

Uthaya Kumar A/L K Vivekananda
Independent Non-Executive Director

Lim Ghee Keong
Non-Executive Director

Chairman
Members

DIRECTORS' PROFILES

TAN SRI MOKHZANI BIN MAHATHIR

Chairman / Non-Executive Director

Age:	Gender:	Nationality:
63	Male	Malaysian

Date of Appointment as Director of Maxis:
16 October 2009

Date of Appointment as Chairman of the Board:
22 April 2021

Tenure as Director: 14 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Government and Regulatory Affairs Committee (Chairman), and Share Issuance Committee (Chairman)

Qualifications
He is a qualified petroleum engineer. He pursued his tertiary education at the University of Tulsa, Oklahoma in the USA, where he graduated with a Bachelor of Science in Petroleum Engineering.

Working Experience/Occupation
Mokhzani began his working career in 1987 as a Wellsite Operations Engineer with Sarawak Shell Berhad and resigned in 1989 to pursue business opportunities in Kuala Lumpur. Through 1990-2000, he was involved in the acquisition and restructuring of Tongkah Holdings Berhad and Pantai Holdings Berhad and their associated companies.

In 2001, he started Kencana Capital Sdn. Bhd., a family office, from which he invested in HL Engineering, a small oil and gas engineering company based in Lumut, Perak. The boom in this industry saw HL Engineering prosper and become Kencana Petroleum Berhad, one of Malaysia's leading oil and gas services company with an international footprint. Kencana Petroleum later merged with SapuraCrest Berhad to form SapuraKencana Petroleum Berhad. He was also Executive Chairman of Opcom Berhad from 2008 until 2019.

With the Sime Darby Automotive Group, he holds the franchise for Porsche Automobiles in Malaysia. His non-business activities include management and promotion of motorsports activities. Having held the position of Director and Chairman of Sepang International Circuit Sdn. Bhd. until 2016, he is very much involved in Malaysia's motorsports scene, be it from grassroot activities right up to Formula One and MotoGP. He is currently the President of Motorsports Association of Malaysia, the FIA and FIM sanctioned regulatory body for all motorsports activities in Malaysia. He is still a keen sports car driver and enjoys competitive circuit driving. Besides motorsports, he is a regular cyclist and promotes healthy lifestyle activities via involvement in cycling club events.

Directorship in other public or listed companies
Yayasan Tun Dr Siti Hasmah

DATO' HAMIDAH NAZIADIN

Independent Non-Executive Director

Age:	Gender:	Nationality:
60	Female	Malaysian

Date of Appointment as Director of Maxis:
1 February 2014

Tenure as Director: 10 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Nomination and Remuneration Committee (Chairman), and Audit and Risk Committee (Member)

Qualifications
She holds a Bachelor of Laws from the University of Wolverhampton, United Kingdom and a Certificate in Personnel Management from the Malaysian Institute of Human Resource Management (previously known as the Malaysian Institute of Personnel Management).

Working Experience/Occupation
Hamidah has more than 31 years of extensive strategic human resources (HR) and leadership experience in the financial services sectors across Malaysia and ASEAN.

She was formerly the Group Chief People Officer of the CIMB Group, a position she held up to October 2020. During her tenure with CIMB Group, she led people strategies to attract, develop and retain talent, cultivated an agile workforce to prepare for the future of work, and enhanced the end-to-end employee experience via technology innovation. Her key achievements included strategising the resource integration in successful mergers and acquisitions over the years, within Malaysia and across ASEAN and APAC regions, and implementing strategic HR programmes that had earned peer and industry recognition through numerous awards. She was also the CEO of CIMB Foundation from May 2016 to October 2020 and member of the Board of Commissioners, PT Bank CIMB Niaga, Indonesia, from 2010 to September 2014.

She is currently an Independent Non-Executive Director of Sime Darby Property Berhad, MR D.I.Y. Group (M) Berhad and Nestle (Malaysia) Berhad. She also sits on the Board of Majlis Sukan Negara Malaysia and is a member of the Razak School of Government's Leadership Development Committee. She is passionate in developing talent, and is active in mentoring and coaching young talent and women.

Directorship in other public or listed companies
Nestle (Malaysia) Berhad, Sime Darby Property Berhad and MR D.I.Y. Group (M) Berhad

ALVIN MICHAEL HEW THAI KHEAM

Senior Independent Non-Executive Director

Age:	Gender:	Nationality:
60	Male	Malaysian

Date of Appointment as Director of Maxis:
30 August 2012

Tenure as Director: 11 years

Board Meeting Attendance in 2023:
11/12

Board Committees Membership(s):
Transformation Committee (Chairman), Nomination and Remuneration Committee (Member), and Audit and Risk Committee (Member until August 2023)

Qualifications
He holds undergraduate degrees from Queen's University, Canada and an MBA from INSEAD France. He is certified with the Canadian Securities Institute and has attended executive programmes at IMD, INSEAD, Stanford, USC and UCSF.

Working Experience/Occupation
Alvin's 35 years of corporate experience covers private equity at The Abraaj Group; financial advisory and private equity at H2O Capital; commercial banking at TD Bank; investment banking at Lancaster Financial; business development and marketing at P&G in Switzerland, Vietnam, Southeast Asia and Australia; and top management and regional board experience at L'Oreal, where he was President of its companies in Malaysia and Taiwan. He served on the boards of the European Chamber of Commerce in Taipei from 2006 to 2009 and Taipei American School from 2011 to 2014.

In 2004, he was conferred the title of Chevalier de l'Ordre Nationale du Merite by French President, Jacques Chirac, in recognition of his business achievements.

Directorship in other public or listed companies
Petronas Dagangan Berhad

UTHAYA KUMAR A/L K VIVEKANANDA

Independent Non-Executive Director

Age:	Gender:	Nationality:
70	Male	Malaysian

Date of Appointment as Director of Maxis:
30 March 2022

Tenure as Director: 2 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Audit and Risk Committee (Chairman), Nomination and Remuneration Committee (Member), and Government and Regulatory Affairs Committee (Member)

Qualifications
He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Association of Certified Public Accountants.

Working Experience/Occupation
Uthaya Kumar is currently an Independent Director and Chairman of the Audit and Risk Management Committees of Bumi Armada Berhad and an Independent Director and a member of the Audit Committee and Senior Tender Board Committee of Sri Lanka Telecom Plc.

Previously, he was a senior partner of PricewaterhouseCoopers South East Asia Peninsula (PwC) and he was with PwC for 35 years. He has led and worked on some of the most challenging and complex assignments, both in Malaysia and globally, working with multinational and blue-chip national clients in audit, business advisory, mergers and acquisitions, valuations, privatisations, initial public offerings and cross-border transactions.

Directorship in other public or listed companies
Bumi Armada Berhad

DIRECTORS' PROFILES

OOI HUEY TYNG

Independent Non-Executive Director

Age:	**Gender:**	**Nationality:**
57	Female	Singaporean

Date of Appointment as Director of Maxis:
30 March 2022

Tenure as Director: 2 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Audit and Risk Committee (Member), Nomination and Remuneration Committee (Member), and Transformation Committee (Member)

Qualifications
She is a Certified Public Accountant in Singapore and the UK and holds a Masters of Science in Finance from Purdue University, USA. She is a Member of INSEAD alumni and attended the Advanced Management Programme at INSEAD, Fontainebleau, France.

Working Experience/Occupation
Ooi Huey Tyng has over 30 years of experience in senior positions at global banks, leading payments technology provider and fintech.

She is currently an independent director on multiple boards. She serves on AIG Asia Pacific Insurance Board where she is the Chair of Risk Management Committee and Member of the Audit Committee and Nomination Committee. She is also a Member of the Board of Governors of Raffles Institution (appointment approved by Ministry of Education, Singapore), an Independent Director of Nasdaq listed Bridgetown 3 SPAC (backed by Pacific Century Group) and a Board Member and Chair of the Audit Committee of Food From The Heart.

In addition, she is a Governing Council Member and Chair of Nominating and Remuneration Committee Chapter of Singapore Institute of Directors and a Member of the Board and Finance Committee of Singapore Institute of Management.

Previously, she held multiple roles in GrabPay such as Managing Director for GrabPay Southeast Asia, Board Member of GrabPay Malaysia, Board Member of GrabPay Philippines, Board Member of GrabLink Philippines Inc, Board Member of GrabInsure Insurance Agency Philippines Inc and Advisor of Grab Financial Group. Before joining Grab, she was with Visa as Country Manager for Singapore, Brunei and Regional Client Management. Prior to that, she held senior leadership roles in UOB, DBS and Citibank.

Directorship in other public or listed companies
Nil

ONG CHU JIN ADRIAN

Independent Non-Executive Director

Age:	**Gender:**	**Nationality:**
53	Male	Malaysian

Date of Appointment as Director of Maxis:
8 August 2023

Tenure as Director: 7 months

Board Meeting Attendance in 2023:
6/6

Board Committees Membership(s):
Audit and Risk Committee (Member) and Transformation Committee (Member)

Qualifications
He holds a Master of Business Administration from the Judge Business School, University of Cambridge. He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Chartered Accountant of the Malaysian Institute of Accountants.

Working Experience/Occupation
Adrian Ong has served as Chief Executive Officer of MR D.I.Y. Group (M) Berhad since 2019. He is a Non-Independent Executive Director of MR D.I.Y. Group, Malaysia, and Non-Executive Chairman of MR. D.I.Y. Holding (Thailand) Public Company Limited.

His experience includes over 30 years in investment banking, private equity, and public accounting across a range of industries. He was previously Senior Managing Director of Investment Banking at CIMB, Director and Head of Fund at CIMB-Standard (now CapAsia), and Managing Director at private equity firm, Creador. In these roles, his primary focus was advisory work for initial public offerings, debt and equity fundraising, mergers and acquisitions, as well as proprietary investments and divestitures across the Asia Pacific.

Prior to these appointments, he worked as an auditor for public accountants KPMG in Kuala Lumpur, and Kingston Smith in the UK.

Directorship in other public or listed companies
MR D.I.Y. Group (M) Berhad

MAZEN AHMED M. ALJUBEIR

Non-Executive Director

Age:	**Gender:**	**Nationality:**
47	Male	Saudi Arabian

Date of Appointment as Director of Maxis:
8 September 2016

Tenure as Director: 7 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Nomination and Remuneration Committee (Member)

Qualifications
He earned his MBA with highest distinction from Harvard Business School, where he was designated a George F. Baker Scholar. He earned his A.B. with honours in Economics from Harvard College, where he received the John Harvard and Harvard College Scholarships for academic distinction.

Working Experience/Occupation
Mazen is a Co-Founder and Co-Chief Investment Officer at Isometry Capital, a New York-based investment advisor managing funds focused on emerging markets. He is based in Riyadh and focused on private investments across a range of industries. Alongside his investment activities, he serves as an independent member on the boards of prominent public corporations, private companies and social enterprises.

Directorship in other public or listed companies
Maxis Communications Berhad

MOHAMMED ABDULLAH K. ALHARBI

Non-Executive Director

Age:	**Gender:**	**Nationality:**
53	Male	Saudi Arabian

Date of Appointment as Director of Maxis:
29 May 2015

Tenure as Director: 8 years

Board Meeting Attendance in 2023:
9/12

Board Committees Membership(s):
Audit and Risk Committee (Member)

Qualifications
He holds a M.S. Certificate in Engineering Management from the University of Missouri, USA. He also holds a B.S. in Systems Engineering - Industrial Engineering and Operations Research from the King Fahd University of Petroleum and Minerals, Saudi Arabia.

He has attended multiple executive and professional courses at leading business schools of the world including Harvard, Euromoney, Columbia Business School, INSEAD, Wharton and Kellogg School of Management.

Working Experience/Occupation
Mohammed is currently the Vice President of Mergers & Acquisitions (M&A) at Saudi Telecom Company (STC), responsible for leading overall M&A activities with a focus on international expansion and strengthening STC's local position in the digital age through in-market consolidation. He has always been involved in STC key strategic decision-making on M&A opportunities and played an integral role in STC investment related activities. He also represented STC on various Boards in Saudi Arabia, Indonesia, India, and South Africa.

He has led the process of identifying synergies and developing synergy realisation programmes, implementing greenfield operations and completed major acquisitions for STC (i.e. Telefonica, Oger Telecom, BGSM, Viva Kuwait, expansion of Tawal), disposals (i.e. Axis), greenfield operations (i.e. STC Bahrain and STC Kuwait) and early-stage investments (i.e. Careem investment then disposal to Uber, STC pay stake sale to Western Union, IoT[2]).

Prior to joining STC in 2003, he worked in senior positions at Al Salam Aircraft Company and Advance Electronics Company.

Directorship in other public or listed companies
Maxis Communications Berhad

DIRECTORS' PROFILES

ABDULAZIZ ABDULLAH M. ALGHAMDI

Non-Executive Director

Age:	Gender:	Nationality:
41	Male	Saudi Arabian

Date of Appointment as Director of Maxis:
4 September 2018

Tenure as Director: 5 years

Board Meeting Attendance in 2023:
11/12

Board Committees Membership(s):
Transformation Committee (Member) and Share Issuance Committee (Member)

Qualifications
He received his Master's degree (M.Sc.) in Human Resources Management from the University of Westminster, London, United Kingdom in 2012. This degree was preceded by a B.Sc. degree in Computer Information Systems from King Saud University, Saudi Arabia, in 2006.

Working Experience/Occupation
Abdulaziz is the Vice-President, Portfolio Management in Saudi Telecom Company (STC) Group since 2022. He is an executive with more than 15 years of progressive experience in the telecom industry. Throughout his career in STC Group, one of the largest telecom companies in the Middle East, he has shown consistent success in maximising corporate performance, driving growth, ensuring adherence to good governance practices, and enhancing value, especially for the portfolio of companies and VC Funds in both local and international markets where STC Group is a significant player.

He has rich experience in strategic business interventions and transformation programmes in addition to building high-impact Project Management Office teams for start-ups and greenfield projects. He is a board member in a number of companies including STC Kuwait and Aqalat Ltd. Further, he has attended a number of courses conducted by global executive education institutes such as Harvard and INSEAD.

Directorship in other public or listed companies
Maxis Communications Berhad

LIM GHEE KEONG

Non-Executive Director

Age:	Gender:	Nationality:
56	Male	Malaysian

Date of Appointment as Director of Maxis:
8 May 2014

Tenure as Director: 9 years

Board Meeting Attendance in 2023:
12/12

Board Committees Membership(s):
Nomination and Remuneration Committee (Member), Transformation Committee (Member), Government and Regulatory Affairs Committee (Member), and Share Issuance Committee (Member)

Qualifications
He holds a Bachelor of Business Administration degree, majoring in Finance, from the University of Hawaii at Manoa, USA.

Working Experience/Occupation
Lim Ghee Keong has more than 30 years of experience in financial and general management. Prior to joining the Usaha Tegas Sdn. Bhd. (UTSB) Group in 1995, he was attached to General Electric Capital Corporation in the USA and Ban Hin Lee Bank in Malaysia.

He is a Director and Chief Operating Officer of UTSB and serves on the boards of several companies in which UTSB Group has interests, such as Astro Malaysia Holdings Berhad (listed on Bursa Malaysia Securities Berhad). He is also a Director of Paxys Inc. (listed on the Philippines Stock Exchange).

Directorship in other public or listed companies
Astro Malaysia Holdings Berhad

Notes :
1. *None of the Directors have any family relationship with any directors and/or major shareholders of the Company.*
2. *Save as disclosed on page 224, none of the Directors have any conflict of interest or potential conflict of interest in any competing business with Maxis or its subsidiaries.*
3. *Disclosures arising from related party transactions are separately disclosed in accordance with Paragraphs 10.08 and 10.09 of the MMLR.*
4. *None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).*
5. *None of the Directors have any public sanctions and/or penalties imposed on them by any relevant regulatory bodies during the financial year ended 31 December 2023.*
6. *Mohammed Abdullah K. Alharbi, Mazen Ahmed M. AlJubeir, Abdulaziz Abdullah M. Alghamdi and Ong Chu Jin Adrian (retiring Directors) are standing for re-election as Directors at the forthcoming Fifteenth Annual General Meeting of the Company. The Nomination and Remuneration Committee and Board of Directors have considered the assessment of the four retiring Directors and collectively agreed 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 MMLR. Additional details about the independent evaluation of the four retiring Directors are set out in the Statement of the Nomination and Remuneration Committee and Notice of the Fifteenth Annual General Meeting.*

MAXIS MANAGEMENT TEAM

GOH SEOW ENG
Chief Executive Officer

Age:
60

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
1 December 2022

Goh Seow Eng is the Chief Executive Officer (CEO) of Maxis Berhad Group. Prior to that he was the President and Chief Operating Officer of Advanced Info Service Plc (AIS) in Thailand.

In his previous role with Singtel in Singapore, he served as Managing Director of Home business where he ran Singtel's fibre broadband, pay-TV and fixed line businesses as well as the customer life-cycle management and marketing communication for Singtel's consumer business in Singapore.

Before joining Singtel in November 2010, he served as Chief Operating Officer, Consumer Group, at Astro Malaysia, Southeast Asia's largest pay-TV operator. Prior to that, he headed various corporate and consumer banking units at Citibank in London, Kuala Lumpur, Taipei and Tokyo and led credit card marketing for Wells Fargo Bank in San Francisco.

He is a graduate of the University of Pennsylvania's Management and Technology Dual-Degree Programme. He holds a Bachelor of Applied Science (Computer Science) cum laude and a Bachelor of Science in Economics cum laude from the university's Wharton School. He obtained his MBA from the University of California, Berkeley, and also attended Harvard Business School's Advanced Management Programme.

His interests in shares of the Company are detailed on page 217 of this Integrated Annual Report.

JENNIFER WONG
Chief Financial Officer

Age:
53

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
3 October 2022

Jennifer brings with her more than 20 years of progressive experience in accounting, controllership, financial and operation management, as well as business planning and analysis.

She is an accountant by profession and started her career with Arthur Andersen, and later with Ernst & Young and PwC, where she advised on Mergers and Acquisitions transactions, corporate exercises, and Initial Public Offers in the UK, Malaysia, and Hong Kong. In the span of over 14 years with Celcom Axiata Berhad (Celcom), she has held various senior positions, namely Senior Vice President of Business Planning and Financial Management, Deputy CFO and finally as CFO.

She is a graduate of Harvard Business School's Advanced Management Programme, as well as INSEAD's General Management Programme and Innovation Programme. She is a member of the Malaysia Institute of Accountant and Malaysia Institute of Certified Public Accountant.

MARIAM BEVI BINTI BATCHA
Chief Corporate Affairs Officer

Age:
60

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
1 May 2019

Mariam is responsible for providing strategic communications counsel to the Management Team and overseeing implementation of all internal and external communications strategies, policies and procedures, including media management, employee volunteerism and sustainable corporate responsibility activities. She coordinates all efforts in managing stakeholder relations across the Regulatory and Government Engagement functions.

She has over 30 years of experience and prior to joining Maxis in September 2010, she served as Vice President, Group Corporate Communications in Telekom Malaysia Berhad. Before that, she headed the Corporate Communications Divisions of United Engineers (Malaysia) Berhad and Amanah Capital Partners Berhad.

She holds a Bachelor of Business in Business Administration degree with Distinction from RMIT University in Melbourne, Australia and a Diploma in Public Relations from the Institute of Public Relations Malaysia (IPRM).

MAXIS MANAGEMENT TEAM

NATALIA NAVIN

Chief Human Resource Officer

Age: 44 **Gender:** Female **Nationality:** Malaysian **Date of Appointment:** 2 September 2019	Natalia is responsible for leading the people agenda at Maxis. She started her career with Zaid Ibrahim & Co (ZICO Law), and later worked with the United Nations, CIMB, Hewlett Packard (HP) and Micro Focus. She has held regional and global HR leadership roles, along with leading large scale HR programmes relating to merger & divestiture deals, as well as labour relations negotiations. She has enabled multiple transformational people and talent programmes and played a key role in navigating the pandemic by leading key people-related initiatives at Maxis. She graduated from Staffordshire University in the UK with a Bachelor of Law (LLB) and was admitted as an advocate and solicitor of the High Court of Malaya in 2004.

NG MAY CHING

Chief Information Officer

Age: 52 **Gender:** Female **Nationality:** Malaysian **Date of Appointment:** 1 December 2020	May Ching is responsible for digitalisation and IT in Maxis. Since joining Maxis in 2013, she has driven the IT and Digital Maxis strategic roadmap and key digital transformation and delivery programmes, established Digital and Data & AI Centers of Excellences as well as managed cybersecurity and operations. She has led the transformation and digitalisation of customer experience through cloud at Maxis and has established Maxis as a leader in cloud, data and AI, digital and platform solutions on top of Malaysia's leading converged network. Prior to joining Maxis, she was a Managing Director in Accenture's Communications, Media and Technology regional practice with 19 years' experience in technology delivery, IT transformation and, business and IT solutions consulting for communications providers. She graduated from Monash University in Melbourne, Australia, with First Class Honours Bachelor's degree in Electrical and Computer Systems Engineering.

ABDUL KARIM FAKIR BIN ALI

Chief Network Officer

Age: 53 **Gender:** Male **Nationality:** Malaysian **Date of Appointment:** 1 December 2020	Karim leads network engineers in Maxis to build and operate Mobile, Fixed and Enterprise solutions with pivotal focus on quality leadership and unmatched customer experience. He rejoined Maxis in January 2014 from Bangkok where he held Senior Vice President position in DTAC, Thailand. He has over 29 years of experience in network strategy framework, organisation transformation, project steering, quality management, industrial relation, and technology operations. He started his telecommunication career with Binariang (later known as Maxis) in 1994 where he pioneered, planned, and built the 2G network. He joined Digi Telecommunications (Digi) in 2002 and progressed in various senior roles with the last positions being Deputy Chief Technical Officer and Celcom-DiGi Programme Director sites infrastructure consolidation in 2011. He graduated with an Electrical Engineering degree and was the recipient of University Malaya Rulers Education Award 1994 and Tunku Abdul Rahman Medal 1995. He has been appointed as an Independent Member of the Board of Trustees of Yayasan AmanahRaya with effect from August 2022.

PATRICK ER
Chief Sales & Services Officer

Age: 49 **Gender:** Male **Nationality:** Malaysian **Date of Appointment:** 1 June 2021	Patrick heads the Sales & Services division where he is responsible for sales and distribution, customer experience and service, supply chain, and credit and collections. He joined Maxis in June 2016 as Head of Commercial Management and Customer Experience and was eventually appointed as Chief of Sales & Service on 1 June 2021. Prior to Maxis, he held senior positions in Hong Leong Bank. He led the micro and small SME segments business and was responsible for the bank's distribution strategy. Before Hong Leong Bank, he was with Digi where he managed consumer sales and customer service across all retail and branded channel stores. He holds a Bachelor of Science in Mechanical Engineering from Michigan Technology University and a Master's in Business Administration from University of Newcastle.

LOH KEH JIAT
Chief Marketing Officer

Age: 53 **Gender:** Male **Nationality:** Malaysian **Date of Appointment:** 16 August 2021	Loh leads the Consumer Business division and strives towards achieving Maxis' ambition to be the leading integrated telco in Malaysia. He joined Maxis as the Chief Marketing Officer (CMO) in August 2021. Prior to Maxis, he worked with Digi, where he held various senior positions within the Sales and Marketing Division for 12 years. Before Digi, he was with PT Mobile-8 Tbk Indonesia and PricewaterhouseCoopers Malaysia. He has over 20 years of experience in the telecommunications industry with a proven track record in building prepaid and postpaid businesses for the consumer segment. He has also led major transformation programmes in digitalising customer journeys and modernisation of sales and distribution in recent years. He received his undergraduate degree from Monash University and is a Chartered Accountant in Malaysia.

PRATEEK PASHINE
Chief Enterprise Business Officer

Age: 52 **Gender:** Male **Nationality:** Indian **Date of Appointment:** 3 July 2023	Prateek heads up the Maxis Business division with a strong ambition to help transform businesses in Malaysia to be ready for the future, cutting across corporate, government, small and medium enterprise (SME) and wholesale customers. He brings with him close to 30 years of experience in Sales, Marketing, Procurement, Project Financing, Technology Planning, and Business Planning & Strategy. Prior to Maxis, he spent over 20 years serving at several companies within the Tata Group including Tata Teleservices and Tata Communications, and on diverse businesses such as hospitality, software, real estate and telecom equipment and services. In the last four years, he set up and led Reliance Jio's Enterprise Business which provides ICT services such as connectivity, private networks, mobility, cloud, IoT and security to enterprises. He has served as the Chairman and Board Member of WBA (Wireless Broadband Alliance) and served on the Board of WiMAX Forum, an industry-led, non-profit organisation. He has an MBA in Corporate Strategy and Marketing with an Engineering degree in Electronics. He was a recipient of the prestigious Fulbright Scholarship and attended the Fulbright-CII Fellowship Programme for Leadership in Management at Carnegie Mellon University, Pittsburgh, USA.

Other information in respect of Maxis Management Team (MMT):

1. *The MMT comprise the persons defined as key senior management under Paragraph 4A, Appendix 9C MMLR, that is persons who are primarily responsible for the business operations of the Maxis Group's core business and principal subsidiaries.*
2. *None of the MMT have any directorship in public companies and listed issuers.*
3. *None of the MMT have any family relationship with any directors and/or major shareholders of the Group.*
4. *None of the MMT have any conflict of interest or potential conflict of interest in any competing business with Maxis or its subsidiaries.*
5. *None of the MMT have any convictions for offences within the past five years (other than traffic offences, if any).*
6. *None of the MMT have any public sanctions and/or penalties imposed on them by any relevant regulatory bodies during the financial year ended 31 December 2023.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE APPROACH

The Board sets the tone at the top for Maxis' corporate governance practices and its application to the Maxis Group. The Board's commitment to corporate governance practices and applicable policies and procedures within Maxis is fundamental to sustain the Group as a leading integrated telco.

This Corporate Governance Overview Statement (CGOS) should be read together with the:

(i) Corporate Governance (CG) Report, that details application of each Practice set out in the Malaysian Code on Corporate Governance (MCCG). The CG Report is accessible online at https://maxis.listedcompany.com/general_meetings.html together with an announcement of the same on the website of Bursa Securities.

(ii) Other statements in this Integrated Annual Report (IAR) e.g. Statement on Risk Management and Internal Control (SORMIC), Audit and Risk Committee (ARC) Report, as well as Statement of the Nomination and Remuneration Committee (NRC).

The CGOS and the CG Report are prepared in compliance with Paragraph 15.25 of the MMLR. The CGOS and CG Report were approved by the Board on 1 April 2024.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES FOR 2023

Maxis has evaluated its practices against the three (3) key principles as set out in the MCCG, namely Principle A: Board Leadership and Effectiveness, Principle B: Effective Audit and Risk Management and Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders. Maxis has applied all the Practices espoused by the MCCG for the financial year ended 31 December 2023, save for the following departures:

- Practice 4.2 (Sustainability strategies, priorities, targets, and performance against these targets are communicated to internal and external stakeholders);
- Practice 5.2 (Board comprises of a majority Independent Directors);
- Practice 5.3 (Tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years);
- Practice 5.9 (Presence of at least 30% women Directors on the Board); and
- Practice 8.2 (Disclosure on a named basis of top five (5) Senior Management personnel's remuneration).

The Board has provided disclosures on the alternative measures which would largely attain similar outcomes to that of the Intended Outcomes envisaged by the MCCG. The explanations on the departures and supplements with alternative practices are contained in the CG Report. These are part of the Board's commitment to upholding highest standards of corporate governance, transparency and integrity within our organisation while undertaking our regulatory duty and commercial goals as an accountable corporate citizen especially to our stakeholders, as explained throughout the IAR.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD GOVERNANCE AND BOARD RESPONSIBILITIES

The Board is collectively responsible in spearheading and overseeing the Maxis Group to ensure its sustainability and ability to create long-term value for its shareholders and various stakeholders. The Board provides leadership and strategic guidance within a framework of controls and monitors Maxis' execution of its strategy. The Board is entrusted with ensuring that there is an adequate group-wide framework for co-operation and communication between Maxis and its subsidiaries to enable it to discharge its responsibilities including oversight of Maxis' financial and non-financial performance, business strategy and priorities, risk management that includes material sustainability risks, and corporate governance policies and practices.

The Board of Directors is responsible for the management of the Company, with powers as defined in the Company's Constitution, the CA 2016 and applicable regulations. The Board's Leadership and Governance structure is supported by the Board Charter, Terms of Reference (TOR)s of the Board Committees and Limits of Authority (LOA) manual, which outlines the key matters reserved for the Board, Chief Executive Officer (CEO) and Management, as well as the Board's policies and procedures.

BOARD LEADERSHIP

In embedding a sustainable corporate governance culture within the Group, the Board has always strived for the highest standard of corporate governance practices in the Company and adopting the same as a "way of life" in every aspect of the organisation. The Chairman leads the Board by setting the tone at the top and manages Board effectiveness by focusing on strategy, governance and compliance.

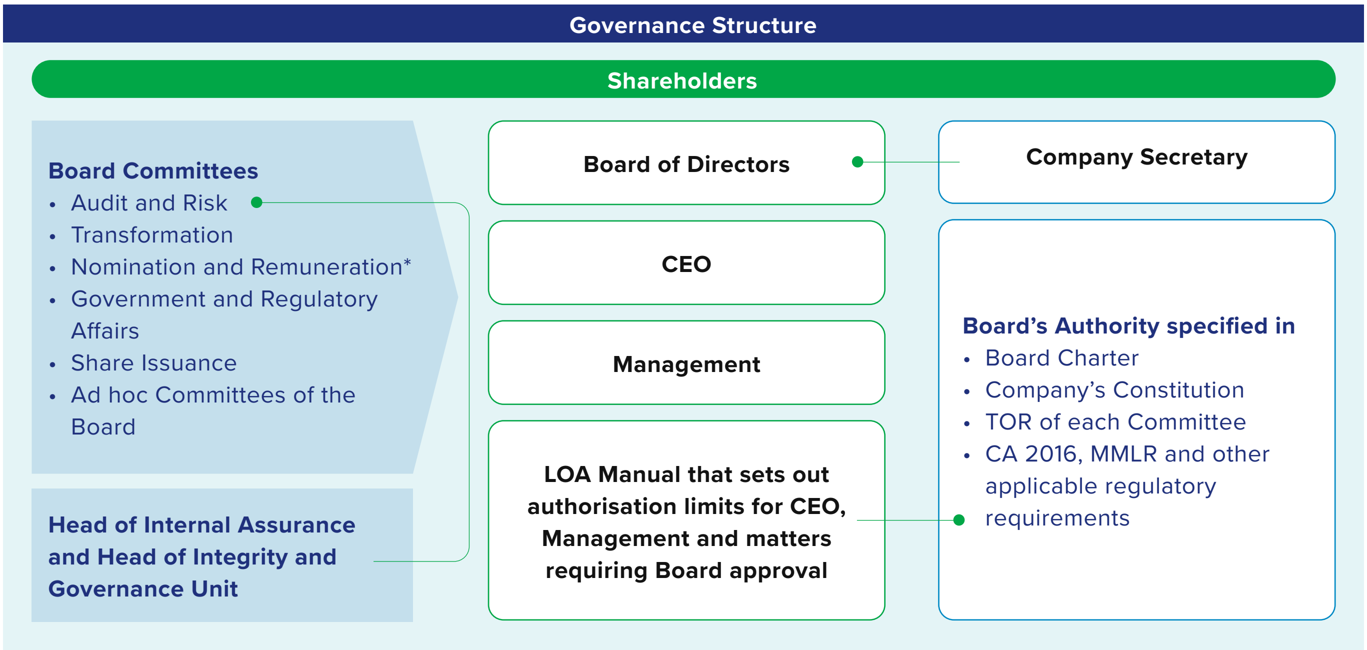
The positions of the Chairman and CEO are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of Maxis. The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Directors as well as the Senior Independent Director.

Note:
The Board Charter can be found on Maxis' website at https://maxis.listedcompany.com/corporate_governance.html. The Board Charter was revised and approved by the Board in February 2024.

BOARD COMMITTEES

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established five (5) Board Committees, as illustrated below. The Board Committees had discharged their roles and responsibilities in accordance with their respective TOR, which are made available on Maxis' website at https://maxis.listedcompany.com/corporate_governance.html. The Board retains collective oversight over the Board Committees and is regularly apprised on the proceedings of these Committees by the Board Committees' Chairmen. Any recommendations would be subsequently reported to the Board for approval. The Minutes of the Committee meetings are accessible to all Directors.

The Board Governance structure is illustrated below:



* Established on 1 September 2023 following the merger of Nomination Committee and Remuneration Committee

The Board Charter details key matters reserved for the Board, inter alia, financial results, dividends, approval of strategy, the annual operating plans, budgets, new major ventures, acquisitions and disposals, changes to management and control structure, appointments of Board members, Committee members, CEO and Company Secretary. It further sets out the roles and responsibilities of the Board, the Chairman, CEO, Senior Independent Director and Company Secretary, and any other material matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD AND BOARD COMMITTEE ACTIVITIES

The Board discharges its responsibilities through Board and Board Committee meetings, and via circular resolutions for matters that arise for decision after these meetings. Board papers and presentation materials circulated to the Board and Board Committees are designed to facilitate effective decision-making, by categorising the agenda items as 'Updates', 'Review' and 'Decision'. In 2023, the Board met twelve (12) times to review, deliberate and approve, amongst others, the following:

Strategy, Regulatory, Financials, Funding and Risk Management

- Budget and Annual Operating Plan (AOP) for 2024
- Strategy planning, key priorities and initiatives, and emerging opportunities and issues
- Regulatory matters
- Cashflow and funding requirements
- Proposed dividends
- Quarterly financial results Q4'22, Q1'23, Q2'23, Q3'23 and audited financial statements for financial year ended 2022

Business Performance, Operations, Network and Stakeholder Management

- Business performance and operations
- Customer and consumer insights
- Network and Information Technology systems and security
- Risk management and internal controls
- Sustainability matters viz Environmental, Social and Governance (ESG) strategies and initiatives
- Investor relations briefing, shareholding analysis, investors engagement plans and feedback from investor engagements

Human Capital Management

- Employee related matters, policies and procedures and business continuity policies
- Employee wellbeing initiatives
- Organisational structure
- Updates on key personnel movements
- Employee engagement
- Succession planning
- Talent and retention management
- Employee bonus and annual salary review
- Share issuance scheme – Establishment of Long Term Incentive Plan 2023

Governance, Compliance and Others

- Annual General Meeting (AGM) and Extraordinary General Meeting
- Integrated Annual Report, CG Report and Circular to Shareholders for recurrent related party transactions and establishment of Long Term Incentive Plan 2023
- Circular to Shareholders for the proposed execution of the finalised Access Agreement between Digital Nasional Berhad as an access provider and Maxis Broadband Sdn. Bhd.
- Appointment of a new Independent Director, AGM resolutions on re-election of Directors and extension of independence of Directors
- Outcome of the Board Effectiveness Evaluation, and actions including training needs
- Changes in composition of Board Committees
- Cybersecurity, data protection and anti-bribery and corruption
- Compliance disclosures
- Board Charter and TOR of Board Committees
- Dealings in shares by Directors and Principal Officers
- Related party transactions and conflicts of interest

During the year, the Board Committee members attended all meetings and approved circular resolutions. Matters deliberated by the Board Committees during the year included:

Audit and Risk Committee

No. of meetings held during the year: **4 meetings**

For further information on the ARC, kindly refer to the ARC Report

Key Discussion Topics
- Financial Performance Review and updates, Financial closing matters, Quarterly Financials, Audited Financial Statements, draft Financial announcements to Bursa Securities and funding updates
- Review of external auditors report for each quarter
- Enterprise Risk Management
- Internal Assurance reports, key findings, recommendations, and investigations
- Occupational Health, Safety and Environment Matters
- Code of Business Practice
- Cyber Security and updates on Network and Systems and Information Security Review
- Quarterly updates on regulatory, legislation, material litigation, revenue assurance and fraud
- Related party transactions and conflicts of interest
- Maxis Anti-Bribery and Corruption (MABC) system
- Review of TOR
- Audit Plans of the external and internal auditors respectively

Remuneration Committee (Merged into the NRC effective 1 September 2023)

No. of meetings held during the year: **6 meetings**

Key Discussion Topics
- Annual Operating Plan for People and Organisation
- Organisation structure and Maxis Management Team (MMT)
- Remuneration and incentives for employees
- Long Term Incentive Plan 2023 and Cash Incentive Plan for CEO
- Performance and remuneration including annual salary and bonus for employees and the CEO
- Key talents, succession planning and overall talent management
- Learning and development
- Scholarship Scheme

Nomination Committee (Merged into the NRC effective 1 September 2023)

No. of meetings held during the year: **3 meetings**

Key Discussion Topics
- Board and Board Committees Composition of the Maxis Group with emphasis on the size, skills, independence, and diversity
- Assessment and recommendation of appointment of new Independent Director
- Director's re-election and review of independence
- Board Effectiveness Evaluation assessment including review of training and development needs of the Board
- Review of the ARC's Term of Office in accordance with Paragraph 15.20 of the MMLR
- MCCG and governance matters
- Review of Non-Executive Directors' remuneration and policies

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination and Remuneration Committee (Established on 1 September 2023)

No. of meeting held during the year: **1 meeting**

For further information on the NRC, kindly refer to the NRC Statement

Key Discussion Topics
- Board and Board Committees Composition
- Board Effectiveness Evaluation 2023 including Board Assessments and Methodology
- Review of the ARC's Term of Office in accordance with Paragraph 15.20 of the MMLR
- CG Report and review of MCCG departures in 2023
- Human resources policies, remuneration framework and succession planning
- Non-Executive Directors' Remuneration

Transformation Committee

No. of meetings held during the year: **5 meetings**

Key Discussion Topics
- IT and Digital Transformation
- Innovation
- Strategic and Structural Options
- Enterprise Business

Government and Regulatory Affairs Committee

No. of meetings held during the year: **6 meetings**

Key Discussion Topics
- Regulatory matters
- Government engagement/relations matters

Notes:
1. *The responsibility of the Share Issuance Committee is to review any issuance of shares pursuant to the Sections 75 and 76 of the CA 2016 as obtained at the AGM each year. The Share Issuance Committee did not meet as there was no issuance of Maxis' shares during the year.*
2. *The Board is also supported by ad-hoc operational and governance committees that are formed from time to time.*

BOARD COMPOSITION

The Board comprises market and industry leaders, cutting across multiple fields, who accordingly serve as Independent Non-Executive Directors and Non-Executive Directors. In 2023, the Board comprised of ten (10) Directors, of whom 50% (5 out of 10) are Independent Non-Executive Directors.

Directors' profiles are set out on pages 64 to 68 of this IAR while the Board Composition overview can be found on pages 62 and 63.

The Board considers that its composition and size are adequate for carrying out its functions and responsibilities effectively. With its diverse qualifications, expertise, and skills, as well as the governance structure of the Board Committees and Board, the Board has been able to provide clear and effective leadership to the Group, as well as informed and independent judgment of the Group's strategy and performance, to ensure the highest standards of conduct and integrity are always at the core of the Group's undertakings. None of the Non-Executive Directors are involved in the Group's day-to-day management.

The Senior Independent Director, namely Alvin Michael Hew Thai Kheam, acts as a sounding board for the Chairman and as an intermediary for Independent Directors. Additionally, he is tasked with the instrumental role of serving as a contact point for shareholders and stakeholders to raise any matters pertaining to Maxis.

The presence of Independent Non-Executive Directors on the Board and its Board Committees are essential, as they provide unbiased as well as impartial opinions and judgment to Board deliberations. This ensures the interests of not just the Group, but also its various stakeholders are taken into account and well-represented.

Details of the independence assessment are available on pages 84 to 85 of the Statement of the NRC.

BOARD APPOINTMENTS

The NRC makes independent recommendations for selection and appointments to the Board, based on criteria which they develop, maintain and review based on applicable laws and regulations.

The NRC will review the gap analysis based on the existing Board composition such as optimum size, and diversity in terms of skills, experience, age, gender, knowledge and independence, having regard to the strategic direction of the Company. This then forms the proposed selection criteria.

The search process for potential candidates may include recommendations from existing Directors, Management, major shareholders, industry and professional associations, open advertisements or independent executive search firms. The NRC reviews and considers candidate(s) with reference to the agreed selection criteria and conducts engagement sessions with the shortlisted candidate(s) as well as the fit and proper assessment, before submitting its final recommendation to the Board.

COMPANY SECRETARY

The Board is supported by the Company Secretary who is qualified to act as company secretary under the CA 2016. The Company Secretary acts as advisor to the Board, particularly on Maxis Group's Constitutions, internal policies and compliance and on applicable governance best practices, corporate administration, and Board processes to facilitate overall compliance with the MMLR, CA 2016 and applicable laws, rules and regulations.

The Board members have full access to the Company Secretary. The Company Secretary ensures that the Directors are provided with sufficient information and time to prepare for Board and/or Committee meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings. The Company Secretary also ensures the minutes of meetings are prepared in a timely manner and the records are well documented while she concurrently communicates with Management on the action items and facilitates follow-up requests, decisions or recommendations from the Board.

The Company Secretary also facilitates the induction of new Directors and the continuous training needs of Directors including those identified pursuant to the Board Effectiveness Evaluation each year.

In the best effort to provide high quality support and advice to the Board, the Company Secretary constantly keeps herself abreast of the progressing and everchanging regulatory landscape and corporate governance development through continuous trainings.

Please refer to the profile of the Company Secretary on page 225.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INDUCTION AND SUCCESSION PLANNING

Maxis is cognisant in ensuring that new Directors undergo a comprehensive on-boarding programme to familiarise themselves and understand the Group's business strategy and operations. The new Director appointed during the year, Ong Chu Jin Adrian received a detailed induction programme on Maxis' operations, business and governance.

The Board via NRC actively monitors and evaluates the tenure of Directors, including Independent Directors, to provide Board members the opportunity to reassess their memberships as part of its succession planning and Board refresh. Succession planning remains a priority in Maxis in ensuring there is a steady pool of talent to fill the vacancies at the Board and Senior Management levels.

BOARD EFFECTIVENESS EVALUATION (BEE)

The Board undertakes an annual evaluation to determine the effectiveness of the Board, its Board Committees, and each individual Director. The MCCG recommends that an independent expert is appointed at least once every three (3) years to facilitate the BEE. For 2023 BEE, an internal evaluation was conducted by the NRC under the oversight of the NRC Chair, covering the following items:

1. Oversaw the methodology, conduct and outcome of the BEE exercise carried out for the financial year, which included assessment of the Board, Board Committees, individual Directors as well as Independent Directors' Assessments.
2. Evaluated the BEE results which included overall strengths of the Board, areas of improvement, general feedbacks and training requirements.
3. Communicated the key focus areas of the BEE results to the Board which included the ongoing developments of the Board, structure of Board and Board Committee meetings as well as Board and Board Committee meeting agendas and materials.
4. Shared feedback with Management where relevant for actions.
5. Assessed the Directors based on the MABC as well as the relevant authoritative corporate governance promulgations including MMLR, MCCG, Guidelines on Conduct of Directors of Listed Corporation and their Subsidiaries by the Securities Commission and Maxis Fit and Proper Policy.

The outcome of the BEE report outlined the assessment of the conduct of the Board and Committees, including their procedures and decision-making processes. The strengths, improvement areas, and proposed training areas of the Board, Board Committees and individual Directors were presented to the NRC for review and recommendation, and subsequently to the Board for approval.

Summary of the outcome of BEE 2023

The BEE exercise identified:

Key strengths of the Board

- Collective strength and skills of the Board with the right mix of competencies and perspectives leading to robust discussions.
- Led by Chairman who demonstrates leadership and passion towards the welfare of Maxis.
- Reasonably strong, capable, active, well prepared and engaged Board members.

Areas for improvement

- Continuous engagements on strategic and leadership matters, and succession planning.
- Enhancements of trainings and knowledge upgrades with updates on cybersecurity, technology, media and telecom (TMT), marketing and branding, and training with leaders from key business functions.

TRAINING AND DEVELOPMENT OF DIRECTORS

Paragraph 15.08 and Practice Note 5 of MMLR

Directors regularly attend talks, briefings, workshops and utilise online learning tools and reading materials to keep apprised of operational, legal, regulatory and industry matters in the discharge of their duties. The NRC and the Board assess the training needs of each Director on an ongoing basis, by determining areas that would best strengthen his/her contributions to the Board.

Amongst others, the Directors of the Company, attended various trainings on industry and economic outlook, cyber security, sustainability and ESG, talent management and leadership, governance matters and operational matters. In addition, there were visits to Maxis centres and operations as part of the Directors' development needs. All Directors will complete the Mandatory Accreditation Programme Part II: Leading for Impact (LIP) within the timeframe prescribed by Bursa Securities.

The external auditors regularly share their publications on governance, financial standards and other topics. Management and/or external experts consistently provide updates to the Board on industry related operational, technology, financial, regulatory and governance developments. Prior to each Board Meeting, the Directors receive detailed papers that comprise information and background materials relevant to matters on the Agenda. The information includes details on the Group's operations, customers, competitors, industry, financials, risk assessments, and technological developments as well as legal and regulatory updates.

REMUNERATION

The Board has instituted a set of policies and procedures to govern the remuneration of Directors. Non-Executive Directors receive remuneration that commensurate with their responsibilities on the Board as well as on the Board Committees and it is designed to attract, incentivise, and retain high-performing individuals. Remuneration packages designed for Non-Executive Directors are based on their individual qualifications, experience and competence while being mindful of their responsibilities, time commitment and annual evaluation undertaken by the NRC. Maxis is guided by the Non-Executive Directors' Fees, Expenses and Reimbursement Policy, which is made available on Maxis' website at https://maxis.listedcompany.com/corporate_governance.html.

The Board has established the NRC to assist the Board amongst others, in its oversight function on matters pertaining to remuneration of Directors. The NRC is guided by its TOR which is made available on Maxis' website at https://maxis.listedcompany.com/corporate_governance.html.

The detailed disclosure of the remuneration of individual Directors is disclosed in the CG Report under Practice 8.1.

The aggregate remuneration received by the Directors of the Company during the financial year ended 31 December 2023 are as stated in the following table:

	Company ('000)			Group ('000)		
Name of Directors	Fees RM	Benefits-in-kind RM	Total amount RM	Fees RM	Benefits-in-kind RM	Total amount RM
Tan Sri Mokhzani bin Mahathir	463	8	471	463	8	471
Dato' Hamidah Naziadin	383	-	383	383	-	383
Alvin Michael Hew Thai Kheam	433	-	433	433	-	433
Uthaya Kumar A/L K Vivekananda	410	-	410	410	-	410
Ooi Huey Tyng	370	-	370	370	-	370
Ong Chu Jin Adrian *(appointed on 8 August 2023)*	139	-	139	139	-	139
Mazen Ahmed M. AlJubeir	283	-	283	283	-	283
Mohammed Abdullah K. Alharbi	300	-	300	300	-	300
Abdulaziz Abdullah M. Alghamdi	300	-	300	300	-	300
Lim Ghee Keong	340	-	340	340	-	340
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda *(resigned on 18 May 2023)*	103	-	103	103	-	103

Note:
There are no Executive Directors on the Board of Maxis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK COMMITTEE (ARC)

Maxis' ARC comprises a majority of Independent Directors.

The Directors endeavour to present a clear, balanced, and comprehensive assessment of Maxis Group's financial position, performance, and prospects as well as other price-sensitive public reports and reports to regulators.

The ARC places great emphasis on the evaluation of the suitability, objectivity, and independence of the external auditors in providing transparent reports to the shareholders. Accordingly, the ARC is guided by Maxis' External Audit Independence Policy (EAIP) to assess the external auditors' independence. The Committee also reviewed the annual assessment conducted on the effectiveness of the external auditors which covered these categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees. The ARC is guided by the requirements as set out in Paragraph 15.21 of the MMLR in considering the annual assessment on the suitability, objectivity, and independence of the external auditors. As specified in the TORs of the ARC and NRC, the ARC shall not appoint a former partner of the external audit firm as its member unless a cooling-off period of at least three (3) years has been observed prior to the appointment.

Under the EAIP, the ARC and Management shall not engage the external auditors under the following circumstances:

- The external auditor audits its own work;
- The external auditor makes management decisions for the Group;
- A mutuality of interest is created; or
- The external auditor assumes the role of advocate for the Company.

Further details of the ARC are explained in the ARC Report on pages 87 to 91 of this IAR.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board of Maxis is fully committed to articulating, implementing, and reviewing a sound and effective risk management and internal control environment, ensuring the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group's objectives is mitigated and managed.

Further information on Maxis' risk management and internal control framework is made available in the SORMIC furnished on pages 92 to 98 of this IAR.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board is cognisant of its corporate accountability to stakeholders and ensures high level of efficacy in the form, frequency, and timeliness of its engagement with stakeholders. The Board is committed to ensuring shareholders and stakeholders are well-informed and enabled to input feedback and share concerns with the Board. Various platforms and channels of communication are used to engage with stakeholders, namely:

(i) Investor Relations section on Maxis' website inclusive of online Investor Relations section and online Newsroom covering financial and non-financial performance for the financial year;
(ii) Maxis' corporate website www.maxis.com.my;
(iii) IAR;
(iv) quarterly results and analyst briefings;
(v) announcements on Bursa Securities' website;
(vi) briefing sessions, roadshows, investor conferences and any other investor relations function;
(vii) media releases and events;
(viii) general meetings;
(ix) internal communication channels; and
(x) community programmes.

Please also refer to the Key Stakeholders Engagement section on pages 20 to 21 of this IAR. Maxis has provided the relevant contact details for queries and/or concerns regarding the Group under the Corporate Information section.

Maxis is committed to maintaining high standards of corporate disclosure and transparency. Our disclosure policy is based on the following three (3) key principles:

(i) Maintain open and regular communications with all shareholders and stakeholders;
(ii) Disseminate financial and strategic updates in a timely and transparent manner; and
(iii) Ensure equal treatment and protection of shareholders' interests.

CONDUCT OF GENERAL MEETINGS

AGM and Extraordinary General Meetings (EGM) serve as avenues for shareholders to engage the Board and Management in a constructive two-way dialogue. Shareholders are encouraged to actively participate in discussions on proposed resolutions and future developments of the Group, as well as provide feedback on performance. During the year, a virtual AGM and EGM were held on 18 May 2023 and 14 August 2023 respectively in accordance with promulgations as contained within the

MCCG and Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. All ten (10) members of the Board were present at the AGM, with eight (8) Directors attending physically and remaining two (2) Directors attending virtually via the remote platform. At the EGM, four (4) Directors attended physically, and five (5) attended virtually, with one (1) absent with apologies. The Chairman, CEO, CFO, Company Secretary, external auditors, advisors and key essential individuals were physically present for both the AGM and EGM. The AGM and EGM leveraged technology and virtual platforms, that allowed the participation of shareholders, and included answering questions from shareholders. The Minutes of the AGM and EGM proceedings, including responses to questions from shareholders, as well as questions that were not responded to during the meetings were published on Maxis' website which includes the key matters discussed, in accordance with Paragraph 9.21(2)(b) of the MMLR.

The Board has undertaken the following in encouraging shareholder participation at general meetings, that include AGM and EGM:

(i) Shareholders are encouraged to raise questions to the Board at general meetings or by submitting written questions in advance.
(ii) Written answers will be provided after the general meetings to any significant questions that cannot be readily answered during the general meetings.
(iii) Shareholders are welcome to raise queries by contacting Maxis at any time.
(iv) Maxis issues adequate notice of 28 days prior to the AGM as per the MCCG, which is in excess of the prescribed notice period of 21 days as per the CA 2016 and MMLR.
(v) Queries from shareholders pertaining to the IAR may be directed to this email: ir@maxis.com.my.

SUSTAINABILITY MANAGEMENT

The Board is committed to ensuring that our strategic plans support long-term value creation and incorporates the key principles of ESG in underpinning sustainability. In 2023, this was done through extensive engagement across Maxis divisions to lead and drive internal ESG integration.

The Board holds the ultimate accountability of Maxis' sustainability strategy, with the various Board Committees overseeing the overall implementation of our sustainability agenda and monitoring the progress of our sustainability goals.

Our sustainability strategy is currently led and driven by the CEO, with progress and key developments escalated to the Board. The CEO, together with the MMT meet with key divisions and project teams on a weekly and monthly basis to ensure oversight of execution of strategies, initiatives, and achievement of targets.

To further institutionalise sustainability within our business processes and operations, we have formalised a Sustainability Steering Committee that will oversee the management of sustainability matters at Maxis. This Committee comprises of MMT and members of key business units. A monthly reporting cadence is being established specifically for sustainability matters, with the CEO and Sustainability Steering Committee to provide quarterly updates to the Board.

Additionally, we are enhancing our internal processes and policies to consolidate and monitor ESG data that is reported within the Group in line with our ambition to obtain external assurance on non-financial information.

ALWAYS BE AHEAD

Maxis' Focus Areas & Governance Priorities

The focus area in 2023 was mainly the Board's processes, proceedings, and structure being constantly assessed and evaluated to remain competitive, refreshed, and agile with continued focus on strategy, governance, and compliance. The Board continues to place emphasis on integrity and compliance within Maxis through the MABC system that includes amongst others emphasis on anti-bribery and corruption training, integrity pledges and communication of the updated Code of Business Practice to Directors, employees and third parties.

The Board is committed to providing oversight and working together with Management in considering Group strategy and value creation (for wider stakeholders), sustainability strategy and strategic opportunities. As an ongoing effort for the next few financial years, the Board will continue to evaluate and benchmark itself against other comparable international digital and technology companies.

STATEMENT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination Committee (NC) and Remuneration Committee (RC) were merged on 1 September 2023 resulting in the formation of the Nomination and Remuneration Committee (NRC). The members of NRC and their respective attendance in 2023 were as follows:

Members	Pre-merger		Post Merger (NRC)
	NC	RC	
Dato' Hamidah Naziadin (Chairman), Independent Non-Executive Director	3/3	6/6	1/1
Alvin Michael Hew Thai Kheam, Independent Non-Executive Director	3/3	6/6	1/1
Uthaya Kumar A/L K Vivekananda, Independent Non-Executive Director	3/3	N/A	1/1
Ooi Huey Tyng, Independent Non-Executive Director	N/A	6/6	1/1
Mazen Ahmed M. AlJubeir, Non-Independent Non-Executive Director	3/3	6/6	1/1
Lim Ghee Keong, Non-Independent Non-Executive Director	N/A	6/6	1/1
Tan Sri Mokhzani bin Mahathir, Non-Independent Non-Executive Director (Resigned as member of NC on 1 September 2023)	3/3	N/A	N/A

Note:
Paragraph 15.08A(1) of the Bursa Securities' MMLR provides that the NC must comprise exclusively of non-executive directors, a majority of whom must be independent, and hence the NRC complies with this requirement.

ROLES AND KEY ACTIVITIES OF THE NRC IN 2023

The Terms of Reference (TOR) of the NRC and each of Maxis' policies are available at https://maxis.listedcompany.com/corporate_governance.html.

The NRC functions as a support to the Board's responsibilities, which include:

- Oversee the composition and performance of the Board, and each of the Board Committee including Board skills, experience, and diversity.
- Review Director's independence in accordance with the MMLR, both in substance and form.
- Review Directors' respective time commitment to the Board and Board Committees.
- Conduct annual objective assessment on the effectiveness of the Board, Board Committees and individual Directors.
- Selection, recruitment, appointment and succession planning of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Board members and Board Committee members.
- Facilitate Board induction for new Directors, and Board Committee members.
- Review the training requirements and other development needs for Directors.
- Oversee the application of the Fit and Proper Policy as well as Board Diversity Policy for the appointment and re-election of Directors in the Group.
- Remuneration matters including:
  i. the performance reviews of the CEO and Maxis Management Team (MMT), organisation structure, group remuneration, bonus and incentives framework, including goals and setting of Key Performance Indicators (KPIs).
  ii. Long Term Incentive Plan (LTIP) framework and structure.
  iii. review of human resources policies.
  iv. review of Directors' remuneration structure.

The key activities and matters reviewed by the NRC during the year included the following:

Note:
Members of the NRC abstained and did not participate in matters concerning their own interests.

i. Board and Board Committees Composition

- Reviewed the Board and each of the Board Committee compositions, skills, experience, strength, quality and diversity, and time commitment of each Director and member in fulfilling their responsibilities including the changes in compositions of the Audit and Risk Committee (ARC), NRC, Government and Regulatory Affairs Committee (GRAC), Share Issuance Committee, Transformation Committee (TC) as well as the Terms of References (TORs).
- Assessed list of candidates as potential directors based on the criteria of skills, composition and requirements of Maxis' operations, competitiveness, and growth strategy as the leading integrated telco in Malaysia. Potential candidates are from various sources, viz from existing Board members and other sources, including utilising external or independent sources to meet the skill sets and requirements of the Board.
- Reviewed the assessment and performance of Directors (Board Effectiveness Evaluation set out in page 78 of this IAR), including Directors standing for re-election in accordance with Maxis' Fit and Proper Policy, and requirements of Paragraph 2.20A of the MMLR that each Director, has the character, experience, integrity, competence and time to effectively discharge his/her role as a director.
- Recommended the appointment of Ong Chu Jin Adrian as Independent Non-Executive Director of Maxis based on assessments of his fit and properness, requirements of Paragraph 2.20A of the MMLR and skill sets.
- Reviewed the term of office and performance of the ARC members in accordance with Paragraph 15.20 of the MMLR and that the ARC members carried out their duties and responsibilities in accordance with the TOR of ARC.
- Reviewed the independence of Directors namely Dato' Hamidah Naziadin, Alvin Michael Hew Thai Kheam, Uthaya Kumar A/L K Vivekananda, Ooi Huey Tyng and Ong Chu Jin Adrian as Independent Non-Executive Directors of Maxis including their tenure, where relevant.
- Recommended changes in the Board and Board Committees memberships as set out in the table below:

Director	Changes	Effective date
Ong Chu Jin Adrian	(i) Appointed as Director	8 August 2023
	(ii) Appointed as Member of ARC	
	(iii) Appointed as Member of TC	
Tan Sri Mokhzani bin Mahathir	Resigned as Member of NC	1 September 2023
Dato' Hamidah Naziadin	Appointed as Chairman of NRC	1 September 2023
Mazen Ahmed M. AlJubeir	Appointed as Member of NRC	1 September 2023
Alvin Michael Hew Thai Kheam	(i) Resigned as Member of ARC	8 August 2023
	(ii) Appointed as Member of NRC	1 September 2023
Uthaya Kumar A/L K Vivekananda	Appointed as Member of NRC	1 September 2023
Ooi Huey Tyng	Appointed as Member of NRC	1 September 2023
Lim Ghee Keong	Appointed as Member of NRC	1 September 2023

ii. Corporate Governance Matters

- Reviewed applications of the MCCG as updated in April 2021 and compliance thereto.
- Reviewed the departures from MCCG and recommended actions for applicability of the same.
- Reviewed the duties and responsibilities in relation to the respective Board Committee TORs, as and when required.
- Reviewed the composition and Board Charter of the relevant subsidiaries of Maxis to ensure alignment with Maxis' Board Charter, policies, and procedures.

iii. Remuneration Matters

- Reviewed MMT including CEO's remuneration and bonus structure, incentives, succession planning and KPIs.
- Reviewed LTIP 2015 and LTIP 2023.
- Reviewed human resources policies.

STATEMENT OF THE NOMINATION AND REMUNERATION COMMITTEE

TENURE OF INDEPENDENT DIRECTORS

Independent Non-Executive Directors play significant roles in bringing independent and objective judgment to boardroom discussions and decisions. The NRC discharged the following responsibilities during the year:

(i) Review and assessment of the independence of the five (5) Independent Non-Executive Directors. This was undertaken two (2) times by way of self-assessment as well as confirmation by the Independent Directors. The NRC established that they are, both in substance and form, independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The assessments covered the regulatory definitions of independent directors under the MMLR, and an additional subjective element of independence in substance. This was additionally demonstrated by the conduct and discharge of his/her duties as a Director.

(ii) Review and assessment of the tenure of independence of Director, Dato' Hamidah Naziadin, whose tenure had exceeded nine (9) years.

The NRC and Board are generally satisfied that each Independent Director met the criteria of an independent director as set out in the MMLR, and continues to bring sound, independent and objective judgment to Board deliberations.

ASSESSMENT OF DIRECTORS STANDING FOR RE-ELECTION AT THE FORTHCOMING FIFTEENTH ANNUAL GENERAL MEETING (AGM)

The NRC is responsible for recommending to the Board, Directors who are retiring and standing for re-election at the AGM.

i. Directors Retiring pursuant to the Company's Constitution

The NRC and the Board had considered the assessment of the following four (4) Directors (the retiring Directors) standing for re-election at the forthcoming Fifteenth AGM pursuant to the Company's Constitution, and collectively agreed that they meet the criteria regarding their character, experience, integrity, competence and time commitment to effectively discharge their respective duties and responsibilities as Directors as prescribed under Paragraph 2.20A of the MMLR and additionally have satisfied the Directors' fit and proper assessment criteria:

Directors retiring pursuant to Rule 131.1 of the Company's Constitution
- Mohammed Abdullah K. Alharbi
- Mazen Ahmed M. AlJubeir
- Abdulaziz Abdullah M. Alghamdi

Director retiring pursuant to Rule 116 of the Company's Constitution
- Ong Chu Jin Adrian

The NRC and Board had assessed each of the retiring Directors, and also considered the following:

- performance and contribution based on the Self-Assessment (SA) results and Board Effectiveness Evaluation (BEE) 2023;
- level of contribution to the Board and deliberations through their skills, experience, and strength in qualities;
- level of objectivity, impartiality, and their abilities to act in the best interests of the Company; and
- the Directors' fitness and properness in accordance with the Fit and Proper Policy.

The retiring Directors met the performance criteria required of an effective and high-performance Board based on the Directors' SA and BEE 2023 results. The Board approved the NRC's recommendation that the retiring Directors pursuant to the Company's Constitution are eligible to stand for re-election. The profiles of these retiring Directors are set out on pages 66 to 68 of this Integrated Annual Report. Save as disclosed in the relevant profiles and conflict of interest disclosures of the retiring Directors on pages 66 to 68 and page 224 respectively, of the Company's Integrated Annual Report for the financial year ended 31 December 2023, the retiring Directors do not hold any shares in Maxis, have no family relationship with any Director and/or major shareholder of Maxis, have no conflict of interest or potential conflict of interest including any interest in any competing business with Maxis or its subsidiaries, have not been convicted of any offence within the past five (5) years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2023.

Note:
The retiring Directors have abstained from deliberation and voting at the relevant NRC and Board meetings in respect of their respective eligibility and suitability to stand for re-election.

ii. Extension of Independence pursuant to MCCG

Dato' Hamidah Naziadin (DHN) was appointed as Independent Director on 1 February 2014 and has exceeded a cumulative tenure of nine (9) years. Pursuant to the shareholders' approval obtained at the Company's Fourteenth AGM held on 18 May 2023, DHN was authorised to continue serving on the Board as an Independent Director until 17 May 2024.

The Board through the NRC, had undertaken relevant assessments and recommended for DHN to continue to serve as Independent Non-Executive Director for a further one (1) year period from 18 May 2024 to 17 May 2025.

Note:
DHN has abstained from deliberation and voting at the relevant NRC and Board meetings in respect of the recommendation on DHN's continuation to act as an Independent Director of the Company.

The NRC and Board's recommendations are based on the following justifications:

(i) DHN has fulfilled the criteria of an Independent Director as stated in the MMLR. She has demonstrated her objectivity and independence both in substance and form. DHN is not hesitant to challenge the rest of the Board members and Management team in the course of discharging her responsibilities as a Director and when considering Board/Committee matters.
(ii) DHN is free from any conflicts of interest. She provides constructive independent counsel to the NRC (as Chair), ARC (as member) and Board, and guidance to Management. DHN has the ability to independently steer the NRC in the best interests of Maxis.
(iii) DHN has vast hands-on experience, knowledge, and skills in a diverse range of businesses and therefore continually provides pragmatic opinions, counsel, oversight, and guidance as a Director. Her insights provide impartiality to matters considered by the Board and Board Committees.
(iv) DHN has specialised knowledge of human resources, people management and Corporate Social Responsibility practices which she brings to the Board and Maxis. DHN also has experience mentoring and coaching young talent and women.
(v) The length of time that DHN has remained in her role has not interfered with her ability to exercise independent judgment as an Independent Director and she has continued to contribute to the performance and positive dynamics of the Board Committees and Board.
(vi) DHN together with the other Independent Directors, each function as a check and balance to the Board and in the exercise of objectivity as Directors.
(vii) DHN has devoted sufficient time and attention to her professional obligations to Maxis required for informed and balanced decision-making.

REVIEW AND ASSESSMENT OF THE TERMS OF OFFICE OF THE ARC OF MAXIS PURSUANT TO PARAGRAPH 15.20 OF THE MMLR

During the year, the NRC and Board reviewed the terms of office, assessment and performance of the ARC, each of the ARC members and the discharge of the ARC's duties based on its TOR and in accordance with Paragraph 15.20 of the MMLR. The NRC and Board were satisfied that the ARC and its members had carried out their duties in accordance with the ARC's TOR.

The results of the NRC's assessment of the ARC were as follows:

1. The ARC's independence is satisfactory. The ARC's actions reflected its independence from Management or any related parties and the ARC acts freely from any conflict of interests.

2. The ARC demonstrated confidence in dealing with difficult and complex matters brought before the ARC.

3. The ARC reviewed and reported to the Board, the quarterly and year-end financial results and year-end financial statements, before approval of the Board, focusing particularly on:

   (a) Changes in or implementation of major accounting policies;
   (b) Going concern assumption and ability of the Group;
   (c) Significant and unusual events;
   (d) Reports from the external auditors; and
   (e) Compliance with applicable approved financial reporting standards and other legal requirements.

STATEMENT OF THE NOMINATION AND REMUNERATION COMMITTEE

4. The ARC reviewed and reported to the Board, the adequacy of the:

    (a) External auditors (fees, quality of audit function, competence, resources including key audit partner and knowledge);
    (b) Internal auditors (scope, methodology, competence, resources and quality of functions); and
    (c) Maxis' accounting and finance staff.

5. The ARC reviewed related party transactions and conflict of interest situations, including the quarterly review of the Recurrent Related Party Transactions Mandate for 2023/2024.

6. The ARC Chairman presented a formal detailed report to the Board on the proceedings of every ARC meeting.

7. The ARC is committed and has the competence, integrity, skills, experience, time and resources to undertake their duties.

8. The ARC was satisfied that appropriate internal and external support and resources are available to the ARC.

FIT AND PROPER POLICY

Maxis established the Fit and Proper Policy for the Board of Directors, CEO and CFO; for the appointment and re-election of directors as required by Paragraph 15.01A of the MMLR. This policy addresses the application of Paragraph 2.20A of the MMLR that requires every listed corporation to ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his/her role as a director, chief executive or chief financial officer.

The Fit and Proper Policy established the duties and responsibilities of the NRC in overseeing the application of the said Policy as well as the conduct of fit and proper assessments relating to Directors, CEO and CFO. The fit and proper criteria is made part and parcel of the BEE exercise to evaluate the re-election of Directors and appointment of senior management personnel, which assesses the character and integrity; experience and competence; as well as time commitment of the individual.

BOARD DIVERSITY POLICY

The Board recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage. A truly diverse Board encompasses various areas including, but not limited to diversity of age, skills, experience, cultural background, gender, ethnicity and nationality of its Board members to ensure effective governance and robust decision-making by the Board. The NRC and Board regularly review the composition of the Board to ensure the proper discharge of its functions and obligations.

Underpinning Maxis Board Diversity Policy is Maxis' commitment in ensuring that all Directors are appointed on merit and in line with the standards as set out in Paragraph 2.20A of the MMLR. The background of each Director can be found on pages 64 to 68 of this Integrated Annual Report, which demonstrates the Board's Diversity Policy. The Board regularly reviews its composition to improve its diversity including gender diversity.

The search to appoint additional women on the Board is a continuous effort. The review and selections are aligned with Maxis' requirements for diversity, and for candidates with the experience and calibre who can contribute to the Group's growth strategy as a leading integrated telco.

The Board endeavors to meet its diversity requirements and targets to accomplish at least 30% women directors on the Board. The NRC and Board are always on the look out to expand the pool of potential women candidates for Board candidacy. In 2023, the NRC and the Board considered the appointment of additional Independent Directors from a pool of potential candidates that were obtained from various sources including independent search firms. In line with this, the Board endeavours to take incremental steps to achieving the diversity requirements of the MCCG.

This NRC Statement should be read together with the Corporate Governance Overview Statement and CG Report 2023.

AUDIT AND RISK COMMITTEE REPORT

The Board of Maxis is pleased to present the Audit and Risk Committee (ARC) Report for the financial year ended 31 December 2023.

THE AUDIT COMMITTEE AT A GLANCE

No. of Members	5, all Non-Executive
No. of Independent Members	Chairman + 3 Others
No. of Meetings	4 in 2023
Attendance Rate	See below

WHO WE ARE

No	Name	Status	Appointment	Meetings Attended	Full Profile on page
1	Uthaya Kumar A/L K Vivekananda*	NE, IN	Appointed as member on 28/04/2022 and re-designated as Chairman on 01/07/2022	4/4	65
2	Dato' Hamidah Naziadin	NE, IN	01/02/2014	4/4	64
3	Mohammed Abdullah K. Alharbi	NE	13/10/2015	4/4	67
4	Ooi Huey Tyng	NE, IN	01/07/2022	4/4	66
5	Ong Chu Jin Adrian	NE, IN	Appointed as member on 08/08/2023	1/1	66
6	Alvin Michael Hew Thai Kheam	NE, IN	Ceased as member on 08/08/2023	3/3	65

*NE – Non-Executive, IN – Independent, * – Chairman*

THE ARC'S SKILLS AT A GLANCE

- All members are financially literate.
- All members are able to read, analyse, interpret and understand financial statements.
- All members have extensive professional experience.
- Each member has skill sets which make the ARC effective as a team, lending it the ability to effectively discharge its duties and responsibilities.
- Uthaya Kumar A/L K Vivekananda (ARC Chairman), a Fellow of the Institute of Chartered Accountants in England and Wales; and Ong Chu Jin Adrian (appointed as member on 8 August 2023), a Fellow of the Institute of Chartered Accountants in England and Wales, meet the Bursa Securities MMLR for Audit Committees to have at least one member of an association of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year, the Committee reviewed and updated its Terms of Reference. An annual review of the Terms of Reference was also performed to ensure all requirements were complied with.

A total of four ARC meetings were held in 2023. At these meetings, the Committee reviewed Maxis' financial results, announcements to Bursa Securities for Q4 2022 and full-year 2022, Q1 2023, Q2 2023 and Q3 2023, financial closing matters, covering provisions, judgmental accounting and contingency items for the respective financial quarters, funding and financial risk management including compliance with debt covenants, reports from both the external and internal auditors, regulatory and legal updates, enterprise risk management matters, related party transactions, conflicts of interest, revenue assurance, business and continuity planning, systems and security information, health, safety and environment, compliance and other internal control matters.

In addition, there were two Circular Resolutions in between the ARC Meetings (passed by unanimous consent in accordance with Clause 6.3 of the ARC's Terms of Reference), which were principally related to transaction approvals.

The ARC Chairman reported the outcomes and decisions of the ARC proceedings to the Board the soonest practicable after each meeting. Members of Management, the Group's external auditors and external legal counsel also attended the meetings as and when invited. In the discharge of its duties and responsibilities, the Committee undertook the following major activities during the year:

AUDIT AND RISK COMMITTEE REPORT

Risk Management and Internal Control

- The Committee reviewed the quarterly status reports on Enterprise Risk Management (ERM) activities within the Group presented by the Management, which includes overall risk profile, changes and updates on the number of key risks, and the corresponding mitigating actions. The Committee also reviewed the risk appetite statement and risk methodology adopted in ensuring that key and high risks were identified and tracked.

- At the ARC meetings, the Committee assessed the effectiveness of internal control systems, including IT and network controls, by reviewing reports from the Internal Audit and external auditors, and through discussions with senior management. This evaluation covered the information technology and network controls; the Group's financial, auditing and accounting organisations and personnel; and business practice compliance procedures.

- In its meetings and discussions with senior management, the Committee frequently highlighted the significance of information security, focusing on the Group's preparedness for preventing and responding to cyber-attacks and online fraud. Recognising the importance of this issue, the Committee received updates on cybersecurity every quarter and deliberated the action plans to address the risks.

- The Committee continued to support ethical business practices by reviewing the defalcation cases from 2023. The Committee also requested and received improved reporting on cases of defalcation from inception of knowledge of incidence or allegation to final closure. Management was requested, and has implemented a consequences management process that will contribute to a culture of accountability and responsibility.

- Management is in the process of enhancing whistleblowing channels by appointing a third party independent specialist organisation to receive information from whistleblowers. This appointment will enhance confidentiality of information and preserve anonymity.

- To reinforce the anti-bribery and anti-corruption governance framework, in line with Section 17A of the MACC Amendment Act, at every meeting, the Committee deliberated the Company's compliance with the Maxis Anti Bribery Management System (MABC) policies and procedures. Additionally, the Committee received regular updates from the Compliance Officer on initiatives and activities aimed at enhancing the Company's compliance culture.

Financial Reporting

- The Committee, along with key Group officers, regularly reviewed the Group's quarterly financial results and annual audited statements. This included examining provisions, critical accounting judgments, and the impact of new accounting standards before releasing the financial results to Bursa Securities. The 2023 quarterly results, compliant with the Malaysian Financial Reporting Standards (MFRS), were assessed in each quarterly meeting. Improvements to the third and fourth quarter reports were made based on the Committee's reviews and recommendations. In its first quarterly meeting, the Committee also examined the draft audited financial statements for the year ending December 31, 2022, and the fourth quarter results of 2022.

- In reviewing the integrity of financial information, the Committee deliberated with Management to ensure that all matters set out in Section 5 of the Audit and Risk Committee Terms of Reference ("Responsibilities" under the heading "Financial Reporting") as well as the following areas, where relevant, had been complied with:

  i. The MMLR;
  ii. Provisions of the CA 2016 and other legal and regulatory requirements; and
  iii. MFRS issued by the Malaysian Accounting Standards Board.

- Every quarter, Management assured the Committee that all related party transactions, including recurrent ones, followed the MMLR and the Group's policies. Additionally, Internal Assurance provided quarterly reports confirming that these transactions complied with the established policies and procedures.

Overall Governance, Regulatory and Other Updates

- Management presented to the Committee, for its review, the status and changes in material litigation, law and regulations, compliance with loan covenants and regulatory updates on the Group's business on a quarterly basis.

Internal Audit

- The Group's internal audit function (internally referred to as the Internal Assurance Division) carried out its activities based on the risk-based Annual Audit Plan approved by the Committee, covering scopes under the governance, risk management and internal control processes, including regulatory compliance such as related party transactions. Based on the approved Annual Audit Plan for 2023, a total of 35 manual engagements as well as 44 continuous automated audits development were conducted as at year-end covering the following key categories:

  i. Governance areas (Accounting & Finance, Contracts Management, Regulatory Compliance, Sales Operations, Technology): 83%
  ii. Strategic initiative reviews: 4%
  iii. Top and emerging risks: 4%
  iv. Fraud and Bribery: 9%

- In their quarterly meetings, the Committee received updates from Internal Assurance on the 2023 Annual Audit Plan. These updates included progress on engagements, main findings, conclusions from audits, recommendations, investigation results, and the status of Management's corrective actions to resolve issues promptly.

- The Committee was updated on the progress of audit automation and the results from automated reports. They reviewed how digitalisation improved oversight of risks and controls, particularly by addressing exceptions noted in these reports more promptly. Throughout the year, each business unit was responsible for resolving issues identified by the automated reports and enhancing their self-assessment of risk and control effectiveness, ensuring the proper application of internal controls. Additionally, the Committee advised Internal Assurance to focus automation on key risk areas, reducing Management's workload and avoiding duplication with other line of defence functions.

- In its last quarterly meeting of the year, the Committee discussed the 2024 Annual Audit Plan, focusing on priority areas, evolving risks in the organisation and industry, and the Company's growth strategy. The plan covered crucial governance areas, which include finance, business operations, contract management, forensic reviews, technology, and regulatory compliance, as well as top and emerging risks, strategic initiatives, and ongoing audit automation development. The Committee also examined the scope and coverage of the planned activities to ensure that major risk areas and key business processes, identified by the Enterprise Risk Management department and internal audit, were properly addressed.

- The Committee emphasised that fraud and bribery risk areas; financial discipline; and business policy compliance should be given heightened focus, with the aim to strengthen the control environment and compliance stature of the Company. These risks are addressed through forensic type of review, which focuses on in-depth evaluation of the rationale, decision-making processes, adequacy of controls and fraud prevention, as well as avoidable losses. The Committee emphasised that Internal Assurance is to increase forensic expertise within the function. The Committee advised Internal Assurance to consider the impact to the business and value for money when conducting its work.

- In line with the digital aspiration of the function as approved by the Committee, Internal Assurance also continues to increase focus on audit automation activities for next year, as well as the continuous improvement on its Agile Auditing practices, as its core process methodology.

- During the same meeting, the internal audit function presented for the Committee's approval the divisional KPIs for 2024 covering four strategic focus areas: Operations, Customers, Innovation and Learning & Development. The KPIs were updated to be in line with the progress of the three-year roadmap with emphasis on measures that promotes strengthening of the business internal control environment and compliance practices; expanding its continuous assurance capability using automation technologies; and efficiency outcomes from Agile processes.

- The Committee continuously reviewed the adequacy and competency of the resources in Internal Assurance Division. Related to talent management, the Committee was updated on the Assurance Leadership Development Programme (ALDP), which was designed to accelerate growth of high potential individuals in the organisation through a one-year rotational exposure in Internal Assurance Division. The programme aims to enhance business acumen; leadership skills; and risk and compliance mindset of the identified talents through audit assignments participation, while enhancing employees' career experience.

- At its concluding meeting, the Committee was apprised of the outcomes of the mandatory External Quality Assessment Review, undertaken by an independent third party. The results of this comprehensive review indicated that Maxis Internal Assurance is in full compliance with the International Standards for the Professional Practices of Internal Auditing set forth by the IIA. Additionally, a comparative benchmarking against global internal auditing functions was conducted, revealing that majority of the evaluated areas within its processes are operating at 'Optimised' and 'Managed' levels of capability maturity. Moreover, the assessment highlighted Maxis Internal Assurance's position in increasing digital capabilities.

- The Committee also reviewed the adequacy of the Internal Audit Charter and approved the internal audit function's proposal to enhance the charter in line with the IIA Standards and latest updates in the ARC Terms of Reference.

External Audit

- During its first quarterly meeting, the Committee reviewed the external auditor's report for the financial year ended 31 December 2022 and recommended for the Board's approval.

- At the same meeting, the Committee evaluated the external auditors' suitability and independence. They reviewed their adherence to Maxis' External Audit Independence Policy (EAIP) for the work done in 2022, to ensure their independence and objectivity were not compromised. Management presented the auditors' compliance status to the Committee, which was also independently verified by Internal Audit. After discussing these reports, the Committee concluded that the auditors complied with the EAIP.

AUDIT AND RISK COMMITTEE REPORT

- The Committee reviewed the statutory audit services, audit related services and non-audit services provided by the external auditors and their corresponding incurred fees, which included tax related services, regulatory compliance reporting, accounting consultation and agreed-upon procedures. The Committee concluded that the auditors had remained independent during the year.

- At its quarterly meetings, the Committee deliberated on the results and issues arising from the external auditors' review of the 2023 quarterly financial results, Q4 2022 financial results and audit of the 2022 year-end financial statements as well as the resolution of issues highlighted in their report to the Committee. The Committee also deliberated on key audit matters highlighted by the auditors, the Internal Control Recommendations (ICRs) raised by them, and monitored their closure status.

- The Committee reviewed the external auditors' 2023 Audit Plan outlining their strategy, approach and proposed fees for the current financial year's statutory audit. The Committee noted the proposed plan and approved it for the current financial year.

- The Committee reviewed the annual assessment conducted on the effectiveness of the external auditors. The assessment covered seven categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees. In addition, the Committee carried out an exercise and sent out a Request for Proposals to the "Big Four firms". On evaluation of the results of the exercise, PricewaterhouseCoopers were recommended by the Committee to be retained as external auditors.

Integrity and Governance Unit

- The Committee provided oversight over the IGU function. IGU is in charge with the role to ensure the implementation and compliance of Adequate Procedures pursuant to the Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act). This role, inter alia, is to foster a culture of zero tolerance to corruption, abuse of power and ethical misbehaviours.

- The Committee reviewed and deliberated reports and updates from the Head of IGU at every quarter of the ARC Meeting on the continuous implementation and enforcement of ethics & integrity compliance governed by the ISO37001:2016 Anti-Bribery Management System (ABMS) and Maxis Integrity Compliance Framework (MICF).

- The Committee monitored the progress of the initiatives and programmes, which includes compliance progress; anti-bribery and anti-corruption internal control enhancements; ABMS & MABC updates, effectiveness, related activities and areas of concerns; as well as on the status of ongoing/completed investigations related to bribery & corruptions.

- Since the establishment of MICF, the Committee monitored IGU's progress in related programmes such as Integrity Pledges (100%); completion of MABC related training for directors (100%); MABC e-learning module for employees (100%); completion of integrity and compliance training for employees and third parties and online due diligence compliance screening to assess bribery and corruption related risks.

- The Committee had also deliberated and endorsed the following with respect to anti-bribery corruption and anti-money laundering and counter financing of terrorism (AML/CFT) initiatives driven and led by IGU:

  i. Maxis Anti-Bribery & Corruption related policies and procedures
  ii. ISO37001:2016 Anti-Bribery System certification and ABMS training sessions
  iii. Bribery and Corruption risk assessment and review
  iv. Integrity and Compliance Trainings
  v. Maxis Code of Business Practise for Third Parties (MCOBP) enhancement
  vi. Brown Bag Sessions
  vii. Full implementation of due diligence screening via solution provider as part of Third-Party Risk Management
  viii. Full implementation of Integrity Vetting System (eSTK) screening by the Malaysian Anti-Corruption Commission on the Chairman, Directors, Chief Executive officers, Senior Management Officers and officers designated for critical and strategic positions, including third parties were vetted prior entering formalised relationship with Maxis.

Long Term Incentive Plan (LTIP)

- The internal audit on LTIP grants for the financial year was performed in September 2023. In ensuring that the allocation for employees was as per approved criteria, disclosed pursuant to LTIP, the Committee deliberated the review results presented by Internal Assurance during its November meeting.

PROCEEDINGS OF THE ARC MEETINGS

The Group's internal and external auditors and certain members of Senior Management attended the Committee meetings by invitation.

The Committee also held a total of 3 separate private sessions with the internal and external auditors without the presence of Management. Both the internal and external auditors have unfettered access to members of the Committee, including the Chairman, any time during the year.

Deliberations during the Committee meetings were minuted. The Chairman of the Committee reported the proceedings of the Committee to the Board after every Committee meeting. Minutes of the meetings were circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

Given the complexity of the business and the responsibility of the Committee, the Committee is aware that it cannot discharge its role by the process of only formal meetings. In this respect, the Committee does seek information and have discussions with Management, extra Committee meetings, to understand business issues as and when they arise.

TRAINING

Trainings attended by the Committee members during the financial year is reported under the Corporate Governance Overview on page 78.

INTERNAL ASSURANCE DIVISION

The Group has an in-house independent internal audit function (internally referred to as the Internal Assurance Division) that reports directly to the Committee. Its primary responsibility 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 full headcount for Internal Assurance Division is 24 and is further supported by two rotational employees from the Assurance Leadership Development Talent Programme, each assigned for a one-year term.

The division is headed by Shafik Azlee Mashar, who has many years of experience in managing internal audit functions within telecommunications, FMCG and banking organisations. Shafik holds a Bachelor's degree in Information Systems Engineering from Imperial College of Science Technology & Medicine, London and is a Certified Information Systems Auditor (CISA), Certified PRINCE2 Project Management Professional, Certified ScrumMaster (CSM) for Agile and Certified Lead Auditor for ISO37001:2016 Anti Bribery.

The Head of the Internal Assurance Division 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 and external quality assessments and the results are communicated to the Committee.

The total costs incurred for the internal audit function for the financial year ended 31 December 2023 amounted to RM7.7 million (2022: RM7.5 million).

The internal audit function fully abides by the provisions of its charter. The Internal Assurance Charter is reviewed and approved by the Committee annually. The internal audit function's activities conform to the International Standards for the Professional Practices of Internal Auditing set forth by the IIA.

The Audit and Risk Committee has regular dialogues and sessions with the Head of Internal Assurance and team throughout the year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the adequacy and effectiveness of the Group's system of internal control and risk management. The Group has an established risk management and internal control framework.

Management has primary responsibility for identifying, assessing, addressing, monitoring and reporting key business risks. Risk management and internal control systems are designed to identify, assess and manage risks that may impede the achievement of the Group's business objectives and strategies rather than to eliminate these risks entirely. They can only provide reasonable and not absolute assurance against fraud, material misstatement or loss, and this is achieved through a combination of preventive, detective and corrective measures.

The risk management and internal control framework are embedded into the culture, processes and structures of the Group which are subject to regular review by the Board. These reviews are an ongoing process for identifying, evaluating and managing significant risks that may affect the Group's achievement of its business objectives and strategies.

The Group's risk management and internal control framework, 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".

RISK MANAGEMENT

Risk management is an integral part of the Group's business strategy formulation and implementation. Oversight over this critical area is carried out by the Audit and Risk Committee. The Audit and Risk Committee, supported by the internal audit function, provides independent assurance on the effectiveness of the Maxis Enterprise Risk Management (ERM) framework and reports to the Board periodically.

The Maxis ERM framework is broadly based on the ERM framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The Maxis' ERM framework involves identifying, analysing, measuring, responding, monitoring and reporting on risks that may affect the achievement of its business objectives. Risk indicators and key performance indicators are applied to ensure that risks are managed within the established risk appetite. This framework helps the Group to respond adequately to uncertainties surrounding the Group's internal and external environment. The ERM function reports to the Board on a quarterly basis through the ARC. For major risks to which the Group is exposed, refer to the Business Model section on pages 25 to 28.

MAXIS' ENTERPRISE RISK MANAGEMENT FRAMEWORK

There is an ERM function that oversees implementation of the ERM Framework. A process has been established where ERM discussions are held on a regular basis between units within divisions/departments/sections to identify potential risks. In addition, the ERM team participates in strategic and operational discussions regularly. The ERM function also focuses on risk areas related to project management risks and fraud management risks (prevention and detection).

Changes to risk information and newly identified risks are then reported, reviewed and discussed with the Maxis Management Team (MMT) and with the Audit and Risk Committee on a quarterly basis.

All identified risks are displayed on a five-by-five risk matrix based on their risk ranking to assist Management to prioritise their efforts and appropriately manage the different levels of risk.

The Board implemented a process where the risk management function assists the Transformation Committee in its evaluation of projects risks.

Risk Management e-module and risk information dashboard are continuously being utilised by the ERM team in promoting risk awareness and facilitating risk management activities. During the year, a Bribery and Corruption Risk Framework & Cybersecurity Risk Assessment via ServiceNow was implemented.

CONTROL ENVIRONMENT AND STRUCTURE

Inculcating and ensuring a risk awareness and management culture is an ongoing process. The Board and Management have established processes and introduced tools for identifying, evaluating and managing significant risks faced by the Group. These include 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 the financial year ended 31 December 2023 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the Integrated Annual Report.

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

1. **Organisation Structure**
   The business of the Group is overseen by the Board. The Board is supported by a number of established committees, namely Audit and Risk, Nomination and Remuneration, Transformation, Government and Regulatory Affairs, Share Issuance and ad-hoc operational and governance committees that are formed from time to time. Each Committee has clearly defined terms of reference and responsibilities reports to the Board on its activities to keep the Board updated and to assist in decision-making where relevant.

Please refer to the Corporate Governance Overview for further details

The Board and Board Committees have full access to Management and information in the discharge of their duties and responsibilities.

Responsibility for implementing the Group's strategies, operations, and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to the Chief Executive Officer (CEO). The organisation structure sets out segregation of roles and responsibilities, lines of accountability and limits of authority.

2. Code of Conduct and Code of Business

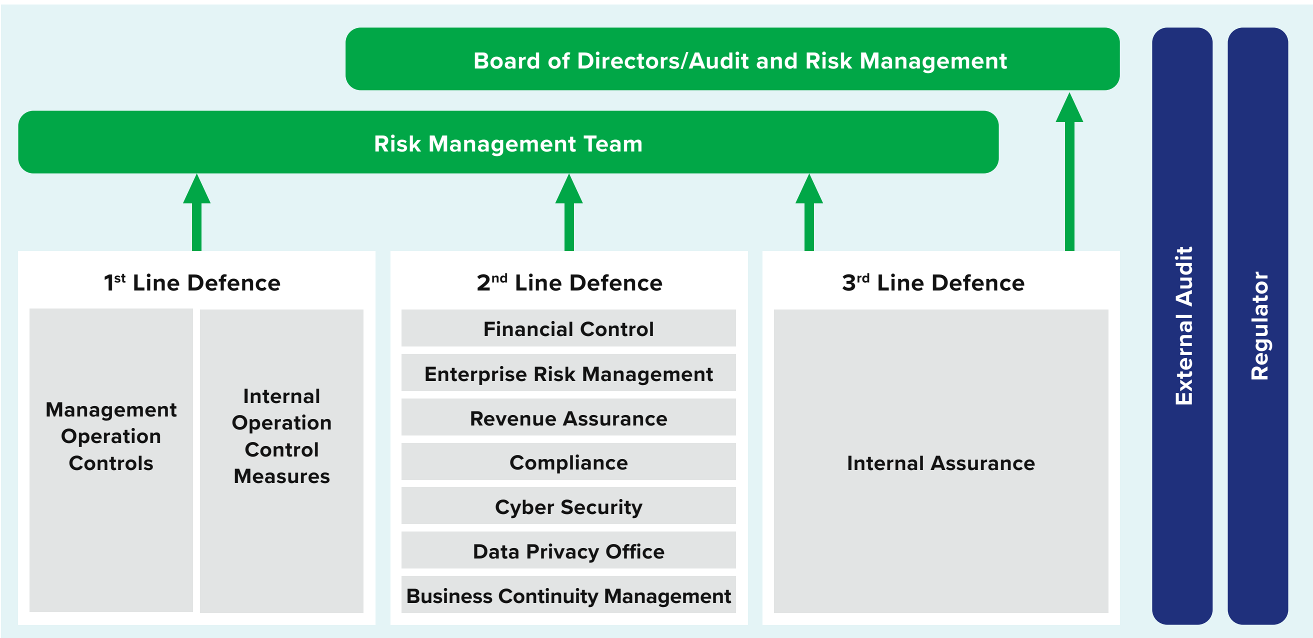
The Group's Code of Conduct (CoC) and Code of Business Practice (CoBP) stipulate how Directors and employees as well as external parties such as third-party employees, contractors, consultants and/or personnel positioned in Group' premises and acting on Group' behalf, including all parties or entities doing business with the Group, should conduct themselves lawfully and ethically in all business matters.

All Directors, employees and third-party employees are required to complete the Annual Mandatory CoC and CoBP Assessment and Acknowledgement. All Assessments and Acknowledgements are rolled out annually in January for existing employees including third party contractors (TPCs). All assigned assessments are to be completed by 28 calendar days of the assigned date.

The CoBP, encompasses compliance and governance of its embedded policies surrounding business practices such as the Maxis Anti-Bribery and Corruption (MABC), data privacy and protection, insider trading etc. It also entails the Group's corporate responsibility in order to contribute to the realisation of human rights and labour standards in accordance with the Malaysian laws and labour practices, by committing to workplace diversity and respecting differences.

Annual mandatory training and assessments are carried out together with regular company-wide campaigns, reminders and communications by the respective Policy Owners. Compliance Champions for the respective Divisions assist to expand the compliance footprint in relations to two integral policies in the Group, i.e. MABC and Personal Data Privacy & Protection.

In ensuring proper governance are in place for managing risk and controls, the Group practices three lines of defence (3-LoD) approach highlighted as per below:



- First line of defence (Functions that own & manage risks and its relevant controls): The line management responsible for identifying & managing risks directly (design/ operation of controls).
- Second line of defence (Functions that exercise oversight over risk and its controls): Risk and assurance functions responsible for on-going monitoring of design and operation of controls in the first line of defence and providing advice and facilitating risk management and control design activities.
- Third line of defence (Functions that provide independent assurance): ARC is assisted by Internal Audit responsible for independent assurance over managing of risks and its controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3. Audit and Risk Committee (ARC)

The ARC consists of five non-executive members of the Board, majority of whom are Independent Directors. The ARC reviews the Group's financial reporting process, the system of internal controls, the implementation and management of ERM framework and the work of both internal and external auditors. The ARC also reviews the process for monitoring ethics, whistleblowing and compliance with laws and regulations, as well as other matters which may be specifically delegated to the ARC by the Board from time to time. The ARC, as a minimum, meets quarterly.

The Whistleblowing policy is managed by the Internal Assurance team, and all reported incidences are communicated to the ARC Chairman upon receipt. All allegations are investigated and reported to the ARC.

The ARC also reviews the sufficiency of the MABC system and ISO 37001:2016 Anti-Bribery Management System (ABMS). The Compliance Officer as Head of Integrity and Governance Unit (IGU) updates the ARC on the implementation of the Maxis Integrity Compliance Framework (MICF) and the overall effectiveness of the MABC system. The Compliance Officer also advises the Board on issues of compliance with applicable laws, regulations, rules, directives and guidelines. The ARC also reviews the independence and determines the authority and area of responsibility of the IGU.

ARC members are regularly briefed on key matters affecting the financial statements of the Group.

The external auditors reports to the ARC on their independence the nature, approach, scope and fees charged. The ARC also reviews the effectiveness of the internal audit function, which include inter alia, the nature, scope and results of their work.

During 2023, the efficiency and effectiveness of fraud management, including whistleblowing are being given as an added review focus by the ARC.

The ARC has full and unimpeded access to the internal and external auditors and all employees of the Group. The Chairman of the ARC provides the Board with reports and results held by the ARC. Further details of the activities undertaken by the ARC are set out in the ARC Report on pages 87 to 91.

4. Internal Assurance

The internal audit function (internally known as the Internal Assurance Division) reviews key processes, evaluates the adequacy and effectiveness of internal control, risk management and governance processes established by Management and/or the Board. It is also responsible to investigate all questionable transactions or MABC non-compliance when information is received and detected internally or externally.

The Internal Assurance division's practices are governed by the Internal Assurance Charter, which is subject to revision on an annual basis. The annual audit plan, established on a risk-based approach, is reviewed and approved by the ARC annually and an update is given to the ARC every quarter. The internal audit function also practices technology-driven automated checks over a number of selected internal control areas.

The ARC oversees the internal audit function, its independence, resources, scope of work, and results of work. The internal audit function also maintains quality assurance and improvement programme and continuously monitors its overall effectiveness through internal self-assessments and external quality assurance review.

The internal audit function follows the requirements of International Standards for the Professional Practices of Internal Auditing of the Institute of Internal Auditors Inc. Compliance with these Standards is assessed through an audit conducted once every five years by an independent external party. The most recent audit was completed in 2023.

Further details of the function and its activities are set out in the ARC Report on pages 87 to 91.

5. Integrity and Compliance, Anti-Bribery and Corruption

The Group's IGU is an independent unit that reports to the Board of the Group via the ARC. IGU is responsible for the implementation, monitoring, strengthening and evaluation of anti-corruption controls within the Group through MICF (which is inclusive of the MABC System) and the Anti-Money Laundering/Countering Financial Terrorism (AML/CFT) framework.

The MICF, developed on the principles outlined in the Guidelines of Adequate Procedures pursuant to section 17A(5) of the Malaysian Anti-Corruption Act 2009 that promotes integrity and compliance within our organisation while providing a robust shield against corporate liability.

IGU is headed by the Compliance Officer who is responsible for the continuous implementation, compliance, enhancement, enforcement and effectiveness of the MABC System and shall ensure the implementation of Adequate Procedures pursuant to the Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act). The Compliance Officer, which reports functionally to the ARC, provides periodic reports to the ARC.

The Group through implementation of reasonable and proportionate measures and effective controls that have been developed in accordance with the ISO requirements to prevent, detect and respond to bribery and corruption. The Group's leaders have consistently set the tone at the top for its commitment to conducting business professionally, ethically and with the highest standards of integrity and zero tolerance to bribery and corruption. The MABC system is in accordance with the requirement of the ISO 37001:2016 Anti-Bribery & Management System (ABMS).

The Group has a zero-tolerance policy against bribery and corruption. The Group has implemented the MABC system which sets out the expected behaviour and ethical conduct of all Directors, employees and third parties who represent or act for or on behalf of the Group. The MABC system, amongst others, explicitly prohibits the giving and acceptance of bribes by the Group's employees, money laundering, sponsorship and donations activities including the giving and receiving of facilitation payments in all its business dealings.

A series of training programmes, including mandatory MABC online learning for current employees, onboarding programme for new employees and Vendor Integrity Programmes (VIP) for third parties (including suppliers, vendors, dealers, partners, distributors, SI etc.) are conducted regularly by IGU to ensure that all employees, including the Board, Top Management and third parties are committed and uphold the same integrity spirit and culture.

The Group was successfully awarded with the ABMS certification on 7th November 2022.

Also, during the year, the Group introduced a new updated Whistleblowing channel, and was communicated to all employees, including the Board, Top Management and third parties.

Corruption is a perennial risk and the Board strives and will continue to look for improvements in its prevention and detection.

6. **Revenue Assurance**
   The Revenue Assurance function is responsible for the detection of revenue leakage by reconciliations of chargeable transactions from network and IT systems to the billing systems, and independent rating of key services via automated tools. Processes and controls within the revenue cycle are also reviewed regularly. 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. Key issues and mitigation actions are reported to Management and the ARC on a monthly and half-yearly basis, respectively.

7. **Fraud Management – Subscriber (FM-Subs)**
   The FM-Subs function complements the Revenue Assurance function. The FM-Subs function monitors daily subscriber calls/events on a near real time basis including both mobile and fixed services. Immediate action is taken to manage suspected fraudulent calls/events by monitoring call patterns on a 24/7 basis throughout the year in addition to other manual reporting investigations. FM-Subs also reviews customer journey and key new services and products for possible fraud risk and recommends counter-measures. Instances of fraud, along with the remedial actions taken are reported to Management on a monthly basis and presented half-yearly to the ARC.

8. **Business Continuity Management (BCM)**
   BCM is integral to the Group's resilience strategy, aimed at reinforcing our operations against potential disruptions. This entails the identification and prioritisation of critical operations crucial for business continuity during adverse events. BCM focus on systems and processes, in addressing potential single points of failure. Rigorous testing conducted in evaluating the effectiveness of BCM strategies and continuous improvement. In fostering BCM culture, the Group ensures that all employees are well-prepared and acquainted with BCM culture and protocols through training sessions and awareness programmes.

9. **Cybersecurity, Data Protection and Data Privacy**
   The Group maintains compliance to all mandatory cybersecurity standards required by MCMC such as compliance to the ISO 27001 (Information Security Management System), Personal Data Protection Act 2010 (PDPA) and applicable standards released by the Malaysian Technical Standards Forum Bhd (MTSFB).

   Cybersecurity Management (CSM), IT, Enterprise and Network Divisions implements both cybersecurity and data protection controls for applications, systems, networks, services, and internet of things (IoT). Immediate actions are taken if there are potential threats and exploitable security vulnerabilities identified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The rapid pace of technology change continues to expand our threat landscape, especially in areas of cloud computing, artificial intelligence, machine learning, 5G, IoT and beyond. These innovations introduce new vectors for cyberattacks that can leave systems and data vulnerable.

We remain vigilant against advanced, evolving methods that threat actors could potentially use to gain unauthorised access within our environments. Some common critical threats we continually monitor for and mitigate include data breaches, malware infections, denial-of-service attacks, and abuse of privileged credentials.

We have focused on evaluating and strengthening security and data protection controls in parallel with adopting new technologies to address emerging risks.

9.1 Cybersecurity and Data Protection

The CSM's functions in the Group oversees cybersecurity and data protection. The function monitors and mitigates both internal and external cybersecurity threats, operates cybersecurity and data protection tools, maintain compliance with regulatory and industry security standards, develop policies and technical specifications, provide awareness and capacity building. The team works closely with other divisions and provides regular reports to management and the ARC.

During the financial year, the organisation's cybersecurity team conducted a review of data protection controls and policies for employee mobile devices and corporate devices. Working closely with key business units, the security team evaluated existing data leak prevention rules to align with evolving data environments and risk priorities. To bolster data protection capabilities, the security team implemented expanded Information Rights Management functionalities and Data Leakage Prevention tools with new detections tailored to detect data loss risks across on-premises and cloud-based data. Finally, taking a user-centric approach to security, the team consolidated and simplified data labeling practices to include only the most essential categories. With easier to adopt labeling, employees can consistently classify and protect sensitive information throughout the organisation. The overall data protection programme enhancements this year focused on strengthening technical controls, enhancing user experiences, and improving data security on the human side.

The organisation's cybersecurity team focused on proactive cyber defense to get ahead of emerging threats. Threat hunting exercises were continually done to probe for hidden risks and vulnerabilities. Public facing systems undergo frequent vulnerability scanning and annual penetration testing to harden defenses. Breach and attack simulation tools are executed to mimic the latest advanced persistent threat techniques to test tooling. Regular reviews of identity and access controls and entitlements ensure proper permissions and data access. Cyber threat intelligence efforts also monitor the dark web and industry sources for early warnings on potential threats to take preventative actions before the organisation is targeted.

To further improve preventative cybersecurity controls, secure development practices for Application Programming Interface (APIs) were developed. Endpoint detection and response capabilities were expanded to analyse all hosts for indicators of compromise. Cloud infrastructure and code repositories now have security testing and policy compliance checks baked into the continuous delivery pipeline. Other layered controls around access management also create barriers to prevent access abuse. Tuning and maintenance of core security tools takes place regularly to ensure adequate security protection and coverage. Additionally, controls dashboards were implemented to increase visibility into risk and compliance postures across business units.

Significant effort went toward improving detective controls and response capabilities including adding new use cases to the 24/7 security operations center. Alert triage procedures were refined to minimise false positives and ensure higher fidelity detection of potential incidents for investigation. Updated response playbooks now integrate automation to accelerate containment upon threats identified by expanded monitoring. Finally, collaborative purple team exercises bring defenders and ethical hackers together to surface security gaps through simulated real-world attacks on the digital environment.

9.2 Data Privacy

The Group is committed to protecting the privacy and security of its subscribers', employees', directors,' third parties' and other stakeholders' personal data. We recognise that personal data is valuable and that individuals have a right to control how their personal data is collected, used, and shared. To this end, we have entrusted the Data Privacy Office (DPO) to run the Data Privacy and Protection Programme.

Our Data Privacy Practices
We have implemented a comprehensive Data Privacy and Protection Programme to ensure that we comply with the *Personal Data Protection Act 2010* and *Personal Data Protection Code of Practice for the Communications Sector 2017*. Our Data Privacy and Protection Programme includes the following:

- Data Privacy and Protection Policy, Data Subjects Request Procedure and Data Privacy Incident and Management Procedure: We have developed and implemented comprehensive Data Privacy and Protection standard operating policy and procedures (SOPP) that cover all aspects of the Group's operations which process personal data. These SOPP will be updated when data privacy laws and/or organisational changes in the Group affect the relevant entity or division processing personal data.
- Personal Data Privacy compliance training: As part of the Group's Digitisation initiative, we have rolled out Personal Data Privacy compliance training via Maxis Academy in September 2022 to ensure that all the Group's staffs are aware of their obligations when processing personal data in their daily operations. We also provide custom Personal Data Privacy training to the Group's exclusive distributors, dealers, Hotlink Foot Soldiers (HFS) and Hotlink Independent Agents (HIAs).
- Data Privacy Incident and Breach Investigation Response Team: The DPO will be part of the Response Team when investigating and assessing any complaints of any data privacy incidents. We also have a privacy hotline email for any staff to lodge a complaint or report any data privacy incident and breach for the DPO to investigate.
- New Data Privacy Laws Monitoring and Gap Analysis: The DPO monitors new data privacy laws and regulations in Malaysia and conducts gap analysis to identify any areas of non-compliance. As the Telco Forum representative, the Group was invited to participate in the cross-industries engagement session conducted by the Ministry of Communications and Digital together with the Personal Data Protection Commission on the Commission's proposed amendments to the Personal Data Protection Act 2010. As part of our corporate responsibility, we then updated the Telco Forum on the proposed amendments so that they could be prepared for the upcoming amendments too.
- Compliance Monitoring: DPO conducts regular compliance monitoring to ensure that the Group is complying with all applicable data privacy laws and our internal SOPP. This year, we successfully conducted 3 Privacy Impact Maturity Assessments across all the Group operating entities to identify and assess the Group's current privacy maturity level, and to develop a plan to improve its privacy practices considering the upcoming amendments to the Personal Data Protection Act 2010.
- Data Privacy risk assessment: We regularly conduct data privacy risk assessments to identify and mitigate potential risks to personal data.

The Group will continue to invest in our data privacy programme to ensure that we are compliant with all applicable data privacy laws and regulations.

10. Regulatory

The Regulatory function ensures compliance with the Communications and Multimedia Act 1998 (CMA) and its applicable rules and regulations which govern 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 MCMC.

The Regulatory function also frequently engages MCMC and the Ministry of Communications and Digital on industry issues.

11. Legal

The Legal function plays a key role in ensuring that the interests of the Group are preserved and safeguarded from a legal perspective. It ensures that the Group's operations, policies and procedures and transactions with third parties comply with all relevant laws, and that legal risks to the business are addressed. The Board is also briefed through reports to the ARC on material litigation and any changes in law that would affect the Group's operations.

12. Company Secretary

Please refer to page 77 of the Corporate Governance Overview Statement on Company Secretary in this Integrated Annual Report.

13. Limits of Authority

The Limits of Authority (LOA) manual sets out the authorisation limits for various levels of the Group's Management and staff as well as matters requiring Board approval. The LOA manual is reviewed and updated periodically to align with business, operational and structural changes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

14. Policies and Procedures
Policies, procedures, guidelines and service level agreements are located on the Group's intranet site. These include those relating to finance, contract management, marketing, procurement, human resources, information systems, network operations, legal, system and information security controls.

15. Financial and Operational Information
Budgets are prepared by Management and presented to the Board for approval before the commencement of a new financial year. The Group's performance is tracked and measured against the budget, and reported monthly. On a quarterly basis, actual results and a rolling forecast are reviewed by the Board to enable the Directors to evaluate the Group's performance.

A three-year Long Range Plan (LRP) is prepared and updated on an annual basis to identify financial challenges and opportunities in the near future. The LRP aims to stimulate long-term and strategic thinking among the operating units and thereby devising strategies to deliver long term financial sustainability. The LRP is presented to the Board for approval on an annual basis.

MONITORING AND REVIEW

Processes that monitor and review the effectiveness of the system of risk management and internal controls include:

1. Management representations made to the Board by the 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. Any material exceptions identified are highlighted to the Board.

2. Internal Assurance independently reports to the ARC. It highlights to the ARC and the MMT significant issues and exceptions identified during the course of their work. Together with IGU, the function also reports to the ARC on a quarterly basis on any bribery and corruption related incidents, as well as MABC non-compliances.

3. The Fraud Working Group (FWG) comprises representatives from business units, Revenue Assurance and SFM, Legal, People and Organisation (P&O) and Internal Assurance departments. FWG establishes and monitors fraud related policies and regularly reviews and agrees on actions to be taken on identified instances of fraud.

4. The Defalcation Committee deals with matters pertaining to fraud and unethical practices including bribery and corruption related incidents and MABC non-compliance. There's a separate Special Defalcation Committee, deals with similar matter where senior management is involved.

5. The Group's Integrity Awareness and Compliance Committee, comprising the Compliance Officer and representatives from Legal and P&O meets on a periodic basis to co-ordinate and monitor programmes planned and developed under the MICF and ensures that they are implemented. On a quarterly basis or as and when requested, the Compliance Officer reports on the activities, deliverables and implementation of MICF to the ARC.

6. Cybersecurity and data protection within the Group is governed by relevant members of MMT who meet on a monthly basis to direct, review, approve and monitor corporate cybersecurity and data protection policies or standards, incidents and projects undertaken by the Group. CSM reports every two months to the CEO and quarterly to the ARC on the Group's cybersecurity and data protection status. Cybersecurity controls are assessed by independent third parties as well as both the external and internal auditors as part of their various planned reviews.

7. ERM department reports to the Board on a quarterly basis through the ARC on the risk profile of the Group and the progress of action plans to manage and respond to the risks.

8. The legal function identifies, advises and ensures compliance with laws and regulations. It also reviews and advises the business on risks in relation to the Group's transactions.

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 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 Integrated 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 Bursa Malaysia Securities Berhad Main Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgments and accounting estimates that are reasonable in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Incorporated on pages 100 to 215 of this Integrated Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2023.

DIRECTORS' REPORT

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 2023.

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 to offer a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18(a) to the financial statements.

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

FINANCIAL RESULTS

	Group RM'million	Company RM'million
Profit for the financial year attributable to:		
- equity holders of the Company	**993**	**1,322**
- non-controlling interests	**(1)**	**-**
	992	**1,322**

DIVIDENDS

The single-tier tax-exempt dividends paid by the Company since the end of the previous financial year were as follows:

	RM'million
In respect of the financial year ended 31 December 2022:	
Fourth interim dividend of 5.0 sen per ordinary share, paid on 30 March 2023	**392**
In respect of the financial year ended 31 December 2023:	
First interim dividend of 4.0 sen per ordinary share, paid on 28 June 2023	**313**
Second interim dividend of 4.0 sen per ordinary share, paid on 29 September 2023	**313**
Third interim dividend of 4.0 sen per ordinary share, paid on 21 December 2023	**313**
	1,331

Subsequent to the financial year, on 22 February 2024, the Directors declared a fourth interim single-tier tax-exempt dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023 which will be paid on 21 March 2024. The financial statements for the financial year ended 31 December 2023 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 2024.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2023.

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 share capital of the Company was increased from 7,830,148,710 ordinary shares to 7,832,077,110 ordinary shares by the issuance of 1,928,400 new ordinary shares under the Company's Long Term Incentive Plan ("LTIP").

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

LONG TERM INCENTIVE PLAN ("LTIP")

The Company established two Long Term Incentive Plans in 2015 ("2015 Scheme") and 2023 ("2023 Scheme") (collectively known as "LTIP"). The 2015 Scheme and 2023 Scheme are governed by the By-Laws which were approved by the shareholders on 28 April 2015 and 18 May 2023 respectively and is administered by the Nomination and Remuneration Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The Nomination and Remuneration Committee may from time to time, offer LTIP to eligible employees (including executive director) of the Group and includes any person who is proposed to be employed as an employee (including executive director) of the Group.

The maximum number of new shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new shares under the LTIP shall not, when aggregated with the total number of new shares allotted and issued under Employee Share Option Scheme ("ESOS"), exceed 250,000,000 shares at any point of time during the duration of the LTIP. The ESOS had expired in 2019. The LTIP comprises a Performance Share Grant ("PS Grant") and a Restricted Share Grant ("RS Grant") which shall be in force for a period of 10 years. The 2015 Scheme commenced from 31 July 2015, while the 2023 Scheme commenced from 3 July 2023, the effective dates of the implementation of the LTIP.

Details of the LTIP are disclosed in Note 31(a) to the financial statements.

During the financial year, 11,146,700 PS Grant under the LTIP were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary shares in the Company, to be allotted and issued pursuant to the LTIP ("new shares"), upon meeting the vesting conditions as set out in the letter of offer for the new shares. The vesting conditions comprise, amongst others, the performance targets and/or conditions for the period commencing from 1 January 2023 and ending on 31 December 2025, as stipulated by the Nomination and Remuneration Committee. The vesting date is on 30 June 2026, subject to meeting such performance targets.

The movement of the PS Grant under the LTIP is as follows:

	Quantity 'million
Total outstanding as at 1 January 2023	**30**
Total granted	**11**
Total vested	**(2)**
Total forfeited	**(7)**
Total outstanding as at 31 December 2023	**32**

The Directors have not been granted any shares since LTIP implementation.

DIRECTORS' REPORT

DIRECTORS

The Directors in office since the beginning of the financial year to the date of the Report are:

Non-Executive Directors

Tan Sri Mokhzani bin Mahathir	
Alvin Michael Hew Thai Kheam	
Lim Ghee Keong	
Dato' Hamidah binti Naziadin	
Mohammed Abdullah K. Alharbi	
Mazen Ahmed M. AlJubeir	
Abdulaziz Abdullah M. Alghamdi	
Uthaya Kumar A/L K Vivekananda	
Ooi Huey Tyng	
Ong Chu Jin Adrian	(Appointed on 8 August 2023)
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	(Resigned on 18 May 2023)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of the Report is as follows:

Goh Seow Eng	
Wong Chui Fen	
Loh Keh Jiat	
Chew Choo Soon	
Joachim Karel F.Vandaele	
Tan Toi Ngee	
Eer Kai Song	
Su Puay Leng	
Barry Ooi Eu Hock	
Prateek Nikhil Pashine	(Appointed on 8 August 2023)
Claire Margaret Featherstone (Alternate Director to Prateek Nikhil Pashine)	(Resigned as Director on 8 August 2023 and appointed as Alternate Director to Prateek Nikhil Pashine on 8 August 2023)
Susan Yuen Su Min	(Resigned on 31 July 2023)
Ong Soo Chan	(Resigned on 31 July 2023)
Siow Shy Teng	(Resigned on 27 September 2023)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or any of its subsidiaries are 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.

DIRECTORS' BENEFITS (CONTINUED)

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

The Directors' benefits are as follows:

	2023	
	Group RM'million	**Company RM'million**
Non-Executive Directors		
Fees	**4**	**4**
Estimated monetary value of benefits-in-kind	*	*
	4	**4**

* Less than RM1 million

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, 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 in the Company			
	At 1.1.2023	**Acquired**	**Sold**	**At 31.12.2023**
Direct Interest				
Tan Sri Mokhzani bin Mahathir	**750,000**	-	-	**750,000**
Indirect Interest[1]				
Tan Sri Mokhzani bin Mahathir	**1,000**	-	-	**1,000**

Note:

(1) Deemed interest in shares of the Company held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

Other than 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 in the Company and its related corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors of the Group and of the Company were insured against certain liabilities under a Directors' and Officers' liability insurance policy maintained as a group basis under Binariang GSM Sdn. Bhd. ("BGSM"), the ultimate holding company, for up to a maximum of RM210 million for any one claim and in aggregate. During the financial year, the Group and the Company paid an aggregate of RM0.8 million and RM0.2 million respectively based on the apportioned premium in respect of such policy.

DIRECTORS' REPORT

IMMEDIATE HOLDING, PENULTIMATE HOLDING AND ULTIMATE HOLDING COMPANIES

The Directors of the Company regard BGSM Equity Holdings Sdn. Bhd. as the immediate holding company, BGSM Management Sdn. Bhd. as the penultimate holding company and BGSM as the ultimate holding company. All these companies are incorporated and domiciled in Malaysia.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of profit or loss, 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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, other than as disclosed in Note 12 and Note 36 to the financial statements; 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.

SUBSIDIARIES

The details of subsidiaries are set out in Note 18(a) to the financial statements.

AUDITORS

Details of the auditors' remuneration for the Group and Company are as follows:

	2023	
	Group RM	**Company RM**
PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146)	**1,318,500**	**40,000**
Member firms of PricewaterhouseCoopers PLT	**1,061,000**	**12,500**
	2,379,500	**52,500**

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 11 March 2024.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'million	Group 2022 RM'million (Restated)	Company 2023 RM'million	Company 2022 RM'million
Revenue	6	**10,180**	9,789	**1,332**	1,547
Traffic, device, commissions and other direct costs		**(4,031)**	(3,831)	**-**	-
Spectrum licence fees		**(247)**	(259)	**-**	-
Network costs		**(557)**	(518)	**-**	-
Staff and resource costs	7	**(880)**	(813)	**-**	-
Operation and maintenance costs		**(428)**	(394)	**-**	-
Marketing costs		**(163)**	(189)	**-**	-
Impairment of receivables and deposits, net		**(129)**	(107)	**-**	-
Government grant and other income		**247**	301	*****	*
Other operating expenses		**(199)**	(49)	**(27)**	(10)
Depreciation and amortisation	9	**(1,903)**	(1,721)	**-**	-
Finance income	10(a)	**27**	30	**23**	16
Finance costs	10(b)	**(473)**	(437)	*****	*
Profit before tax		**1,444**	1,802	**1,328**	1,553
Tax expenses	12	**(452)**	(651)	**(6)**	(4)
Profit for the financial year		**992**	1,151	**1,322**	1,549
Attributable to:					
- equity holders of the Company		**993**	1,152		
- non-controlling interests		**(1)**	(1)		
		992	1,151		
Earnings per share attributable to equity holders of the Company:					
- basic (sen)	13(a)	**12.7**	14.7		
- diluted (sen)	13(b)	**12.7**	14.7		

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'million	2022 RM'million (Restated)	2023 RM'million	2022 RM'million
Profit for the financial year		**992**	1,151	**1,322**	1,549
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss:					
- net change in cash flow hedge	32(c)	**2**	3	**-**	-
Total comprehensive income for the financial year		**994**	1,154	**1,322**	1,549
Attributable to:					
- equity holders of the Company		**995**	1,155		
- non-controlling interests		**(1)**	(1)		
		994	1,154		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group			Company	
		31.12.2023 RM'million	31.12.2022 RM'million (Restated)	1.1.2022 RM'million (Restated)	2023 RM'million	2022 RM'million
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	15	**5,384**	5,639	5,193	**-**	-
Intangible assets	16	**11,193**	11,507	11,474	**-**	-
Right-of-use assets	17	**1,826**	1,887	1,854	**-**	-
Investments in subsidiaries	18	**-**	-	-	**25,106**	25,138
Financial assets at fair value through other comprehensive income ("FVOCI")	20	**4**	4	4	**4**	4
Receivables, deposits and prepayments	21	**1,333**	1,226	1,068	**-**	-
Deferred tax assets	23	*****	1	*	**-**	-
TOTAL NON-CURRENT ASSETS		**19,740**	20,264	19,593	**25,110**	25,142
CURRENT ASSETS						
Inventories	24	**22**	8	5	**-**	-
Receivables, deposits and prepayments	21	**2,435**	2,136	1,654	**5**	5
Amounts due from related parties	25	**15**	9	*	**-**	-
Loans due from a subsidiary	18	**-**	-	-	**343**	309
Derivative financial instruments	22	**-**	*	*	**-**	-
Tax recoverable		**-**	*	*	**-**	-
Deposits, cash and bank balances	26	**569**	628	1,191	**15**	32
TOTAL CURRENT ASSETS		**3,041**	2,781	2,850	**363**	346
TOTAL ASSETS		**22,781**	23,045	22,443	**25,473**	25,488

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group			Company	
	Note	31.12.2023 RM'million	31.12.2022 RM'million (Restated)	1.1.2022 RM'million (Restated)	2023 RM'million	2022 RM'million
LESS:						
CURRENT LIABILITIES						
Provisions for liabilities and charges	27	**160**	144	137	**-**	-
Payables and accruals	28	**4,126**	4,176	3,887	**1**	1
Amount due to a subsidiary	18	**-**	-	-	*	*
Amounts due to related parties	25	**11**	32	20	**-**	-
Borrowings	30	**857**	283	2,034	**-**	-
Derivative financial instruments	22	**3**	6	9	**-**	-
Taxation		**265**	171	19	**2**	2
TOTAL CURRENT LIABILITIES		**5,422**	4,812	6,106	**3**	3
NET CURRENT (LIABILITIES)/ASSETS		**(2,381)**	(2,031)	(3,256)	**360**	343
NON-CURRENT LIABILITIES						
Provisions for liabilities and charges	27	**396**	366	335	**-**	-
Payables and accruals	28	**499**	385	145	**-**	-
Deferred income	29	**1,147**	913	528	**-**	-
Borrowings	30	**8,915**	9,582	8,056	**-**	-
Deferred tax liabilities	23	**658**	896	798	**-**	-
TOTAL NON-CURRENT LIABILITIES		**11,615**	12,142	9,862	**-**	-
NET ASSETS		**5,744**	6,091	6,475	**25,470**	25,485
EQUITY						
Share capital	31	**2,593**	2,585	2,564	**2,593**	2,585
Reserves	32	**3,150**	3,504	3,911	**22,877**	22,900
Total equity attributable to owners of the Company		**5,743**	6,089	6,475	**25,470**	25,485
Non-controlling interests		**1**	2	-	**-**	-
TOTAL EQUITY		**5,744**	6,091	6,475	**25,470**	25,485

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to equity holders of the Company								
		Issued and fully paid ordinary shares								
Group	Note	Number of shares 'million	Share capital RM'million	Merger relief (Note 32(a)) RM'million	Reserve arising from reverse acquisition (Note 32(b)) RM'million	Other reserves (Note 32(c)) RM'million	Retained earnings RM'million	Total RM'million	Non-controlling interests RM'million	Total equity RM'million
At 31 December 2022, as previously reported		**7,830**	**2,585**	**22,729**	**(22,729)**	**72**	**3,712**	**6,369**	**2**	**6,371**
Restatement of comparatives	36	**-**	**-**	**-**	**-**	**-**	**(280)**	**(280)**	**-**	**(280)**
Restated at 1 January 2023		**7,830**	**2,585**	**22,729**	**(22,729)**	**72**	**3,432**	**6,089**	**2**	**6,091**
Profit for the financial year		**-**	**-**	**-**	**-**	**-**	**993**	**993**	**(1)**	**992**
Other comprehensive income for the financial year		**-**	**-**	**-**	**-**	**2**	**-**	**2**	**-**	**2**
Total comprehensive income for the financial year		**-**	**-**	**-**	**-**	**2**	**993**	**995**	**(1)**	**994**
Dividends provided for or paid	14	**-**	**-**	**-**	**-**	**-**	**(1,331)**	**(1,331)**	**-**	**(1,331)**
LTIP and incentive arrangement	32	**2**	**8**	**-**	**-**	**(17)**	**(1)**	**(10)**	**-**	**(10)**
Total transactions with owners, recognised directly in equity		**2**	**8**	**-**	**-**	**(17)**	**(1,332)**	**(1,341)**	**-**	**(1,341)**
Dilution of interest in subsidiary		**-**	**-**	**-**	**-**	**-**	**(*)**	**(*)**	*****	**-**
At 31 December 2023		**7,832**	**2,593**	**22,729**	**(22,729)**	**57**	**3,093**	**5,743**	**1**	**5,744**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Attributable to equity holders of the Company								
		Issued and fully paid ordinary shares								
Group	Note	Number of shares 'million	Share capital RM'million	Merger relief (Note 32(a)) RM'million	Reserve arising from reverse acquisition (Note 32(b)) RM'million	Other reserves (Note 32(c)) RM'million	Retained earnings RM'million	Total RM'million	Non-controlling interests RM'million	Total equity RM'million
At 1 January 2022, as previously reported		7,826	2,564	22,729	(22,729)	64	4,097	6,725	-	6,725
Restatement of comparatives	36	-	-	-	-	-	(250)	(250)	-	(250)
Restated at 1 January 2022		7,826	2,564	22,729	(22,729)	64	3,847	6,475	-	6,475
Acquisition of non-wholly owned subsidiaries		-	-	-	-	-	-	-	3	3
Profit for the financial year		-	-	-	-	-	1,152	1,152	(1)	1,151
Other comprehensive income for the financial year		-	-	-	-	3	-	3	-	3
Total comprehensive income for the financial year		-	-	-	-	3	1,152	1,155	(1)	1,154
Dividends provided for or paid	14	-	-	-	-	-	(1,566)	(1,566)	-	(1,566)
LTIP and incentive arrangement	32	4	21	-	-	5	(1)	25	-	25
Total transactions with owners, recognised directly in equity		4	21	-	-	5	(1,567)	(1,541)	-	(1,541)
At 31 December 2022		7,830	2,585	22,729	(22,729)	72	3,432	6,089	2	6,091

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Issued and fully paid ordinary shares Number of shares 'million	Issued and fully paid ordinary shares Share capital RM'million	Merger relief (Note 32(a)) RM'million	Other reserves (Note 32(c)) RM'million	Retained earnings RM'million	Total equity RM'million
At 1 January 2023		**7,830**	**2,585**	**22,729**	**87**	**84**	**25,485**
Total comprehensive income for the financial year		**-**	**-**	**-**	**-**	**1,322**	**1,322**
Dividends provided for or paid	14	**-**	**-**	**-**	**-**	**(1,331)**	**(1,331)**
LTIP	32	**2**	**8**	**-**	**(14)**	**-**	**(6)**
Total transactions with owners, recognised directly in equity		**2**	**8**	**-**	**(14)**	**(1,331)**	**(1,337)**
At 31 December 2023		**7,832**	**2,593**	**22,729**	**73**	**75**	**25,470**
At 1 January 2022		7,826	2,564	22,729	86	102	25,481
Total comprehensive income for the financial year		-	-	-	-	1,549	1,549
Dividends provided for or paid	14	-	-	-	-	(1,566)	(1,566)
LTIP	32	4	21	-	1	(1)	21
Total transactions with owners, recognised directly in equity		4	21	-	1	(1,567)	(1,545)
At 31 December 2022		7,830	2,585	22,729	87	84	25,485

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'million	Group 2022 RM'million (Restated)	Company 2023 RM'million	Company 2022 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		**992**	1,151	**1,322**	1,549
Adjustments for:					
Impairment of receivables and deposits	33(b)	**178**	156	**-**	-
Provision for inventories obsolescence (net)		*****	*	**-**	-
Impairment of goodwill		**2**	-	**-**	-
Impairment of investment in subsidiaries		**-**	-	**18**	-
Amortisation of:					
- contract cost assets	21(d)	**200**	207	**-**	-
- intangible assets	16	**378**	312	**-**	-
- deferred income	29	**(157)**	(150)	**-**	-
Dividend income	6	**-**	-	**(1,332)**	(1,547)
Unrealised fair value (gain)/loss on forward foreign exchange contracts		**(1)**	1	**-**	-
Unrealised loss/(gain) on foreign exchange differences		**2**	(2)	**-**	-
Depreciation of:					
- property, plant and equipment	15	**1,187**	1,065	**-**	-
- right-of-use assets	17	**338**	344	**-**	-
Property, plant and equipment:					
- gain on disposal		**(1)**	(*)	**-**	-
- net reversal of impairment	15	**(4)**	(7)	**-**	-
- write-offs	15	**144**	17	**-**	-
Intangible assets write-off	16	**27**	-	**-**	-
Termination of lease contracts		**(1)**	(12)	**-**	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	27	**(5)**	(7)	**-**	-
- staff incentive scheme	27	**131**	133	**-**	-
- contract obligations	27	**(2)**	6	**-**	-
Share-based payments		**(9)**	32	**-**	-
Finance costs	10	**473**	437	*****	*
Finance income	10	**(27)**	(30)	**(23)**	(16)
Tax expenses	12	**452**	651	**6**	4
		4,297	4,304	**(9)**	(10)
Government grant relating to costs		**61**	99	**-**	-
Payments for:					
- site rectification and decommissioning works	27	**(1)**	(1)	**-**	-
- staff incentive scheme	27	**(116)**	(130)	**-**	-
Operating cash flows before working capital changes		**4,241**	4,272	**(9)**	(10)

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'million	Group 2022 RM'million (Restated)	Company 2023 RM'million	Company 2022 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Changes in working capital:					
Inventories		**(14)**	(3)	**-**	-
Receivables		**(845)**	(1,091)	*****	*
Payables		**30**	497	*****	(*)
Balances with:					
- related parties		**(28)**	3	**-**	-
- subsidiaries		**-**	-	*****	*
Cash flows from operations		**3,384**	3,678	**(9)**	(10)
Dividends received		**-**	-	**1,332**	1,547
Interest received		**27**	30	**21**	19
Tax paid		**(595)**	(405)	**(5)**	(4)
Tax refund		**-**	*	**-**	*
Net cash flows from operating activities		**2,816**	3,303	**1,339**	1,552
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans granted to a subsidiary		**-**	-	**(738)**	(1,374)
Loan repayments from a subsidiary		**-**	-	**705**	1,370
Dividends received		**-**	-	**-**	65
Investments in subsidiaries		**-**	-	**-**	(326)
Capital repayment from a subsidiary		**-**	-	**-**	258
Property, plant and equipment and intangible assets:					
- purchase		**(1,141)**	(1,720)	**-**	-
- disposal proceeds		**1**	*	**-**	-
Consideration paid for business combinations (net of cash acquired)		**-**	(106)	**-**	-
Contingent consideration paid for business combinations		**(13)**	(5)	**-**	-
Government grant relating to the purchase of assets	29	**391**	535	**-**	-
Placement of deposits with maturity of more than three months		**(2)**	*	**-**	-
Net cash flows used in investing activities		**(764)**	(1,296)	**(33)**	(7)

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group		Company	
		2023	**2022**	**2023**	**2022**
		RM'million	**RM'million**	**RM'million**	**RM'million**
	Note		**(Restated)**		
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		**-**	-	**8**	21
Share-based Incentive arrangement:					
- disposal of shares		**3**	1	**-**	-
- acquisition of shares		**(4)**	(7)	**-**	-
Drawdown of borrowings		**1,400**	1,500	**-**	-
Repayments of:					
- borrowings		**(1,440)**	(1,750)	**-**	-
- lease liabilities	17(iii)	**(322)**	(320)	**-**	-
Payments of finance costs		**(419)**	(428)	*****	*
Ordinary share dividends paid	14	**(1,331)**	(1,566)	**(1,331)**	(1,566)
Net cash flows used in financing activities		**(2,113)**	(2,570)	**(1,323)**	(1,545)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(61)**	(563)	**(17)**	*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**601**	1,164	**32**	32
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	26	**540**	601	**15**	32

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding, whilst the principal activities of the Group, comprising the Company and its subsidiaries, are to offer a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18(a) 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 BGSM Equity Holdings Sdn. Bhd. as the immediate holding company, BGSM Management Sdn. Bhd. as the penultimate holding company and Binariang GSM Sdn. Bhd. ("BGSM") as the ultimate holding company. All these companies are incorporated and domiciled in Malaysia.

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

Level 21, 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 5 - 9, 11, 15 - 25 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 the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of material accounting policies in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain 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 the 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)

(a) Amendments to published standards and interpretations that are effective and applicable to the Group and the Company

The Group and the Company have applied the following amendments to published standards for the financial year beginning on 1 January 2023:

- Amendments to MFRS 101 “Classification of liabilities as Current or Non-current”
- Amendments to MFRS 101 and MFRS Practice Statement 2 on “Disclosure of Accounting Policies”
- Amendments to MFRS 108 “Definition of Accounting Estimates”
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The adoption of the above amendments to published standards did not have any significant effect on the consolidated and separate financial statements of the Group and of the Company respectively upon their initial application.

(b) Amendments to published standards that are applicable to the Group and the Company but not yet effective

The amendments below to published standards are effective for the financial year beginning on or after 1 January 2024. None of these are expected to have a significant effect on the consolidated and separate financial statements of the Group and the Company respectively.

- Amendments to MFRS 16 “Lease Liability in a Sale and Leaseback”
- Amendments to MFRS 107 and MFRS 7 “Supplier Finance Arrangements”
- Amendments to MFRS 101 “Non-current Liabilities with Covenants”

3 SUMMARY OF MATERIAL 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 structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. 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 and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, 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 carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the statement of profit or loss.

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 profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss. See accounting policy Note 3(c)(iii) on goodwill.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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 MATERIAL 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 transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure (including borrowing and staff costs) that is directly attributable to the acquisition of property, plant and equipment and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 telecommunications 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 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 statement of profit or loss during the financial year in which they are incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

All other 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	44 - 50 years
Telecommunications equipment	2 - 25 years
Motor vehicles	5 years
Office furniture, fittings and equipment	3 - 7 years

Capital work-in-progress and capital inventories comprise mainly telecommunications equipment, information technology equipment and renovations. They are reclassified to the respective categories of property, plant and equipment and depreciated when they are ready for their intended use.

Residual values and useful lives are reassessed and adjusted, if appropriate, at each reporting date to ensure the amount and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

At each reporting date, the Group assesses whether there is any indication of 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(f) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of profit or loss.

Leased assets (including leasehold land) are presented as “right-of-use assets” in a separate line item in the statement of financial position.

(c) Intangible assets

The Group acquires 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Intangible assets (continued)

(i) Spectrum rights

The Group's spectrum rights consist of rights to spectrum bands previously acquired as part of a business combination and other spectrum rights.

For other spectrum rights, the intangible asset that is initially recognised at the date of acquisition includes an estimate for the future anticipated variable costs. Subsequent changes on such estimates will be recognised against the cost of the asset.

Spectrum rights are considered to have a finite life and thus are amortised on a straight-line basis over the period of expected benefit and assessed at each reporting date for any indication of impairment. Upon the expiry of the Spectrum Assignment ("SA") periods, costs to renew spectrum rights that are previously acquired as part of a business combination are charged to the statement of profit or loss during the SA periods.

The estimated useful lives of the spectrum rights of the Group are as follows:

Spectrum rights acquired as part of a business combination	15 - 16 years
Other spectrum rights	2 - 5 years

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

See accounting policy Note 3(f) on impairment of non-financial assets.

(ii) Other indefinite life intangible assets - telecommunications licences

Telecommunications licences comprise the rights that exist with the embedded approvals of the Government to allow Maxis to operate as one of the few mobile operators in Malaysia together with all the ancillary Network Facilities Provider ("NFP"), Network Service Provider ("NSP") and Applications Service Provider ("ASP") licences. The telecommunications licences were acquired as part of a business combination and are issued for a fixed period.

Telecommunications licences are considered to have an indefinite useful life if they can be renewed indefinitely without significant costs in comparison to the expected future economic benefits that the rights can generate for the Group. Therefore, the telecommunications licences are not amortised but tested for impairment on an annual basis, and where an indication of impairment exists.

See accounting policy Note 3(f) on impairment of non-financial assets.

The indefinite useful life assumption applied to this acquired intangible assets is reassessed at each reporting date. When the expectation differs from previous estimates, the change is accounted for as a change in accounting estimate.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Intangible assets (continued)

(iii) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregation of the consideration transferred for purchase of subsidiaries or businesses, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is measured at cost less any accumulated impairment losses. Negative goodwill is recognised immediately in the statement of profit or loss.

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

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. Goodwill is not amortised but 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(f) on impairment of non-financial assets. Each CGU or a group of CGUs represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which is expected to benefit from the synergies of the combination.

(iv) Software

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software recognised as assets are amortised using the straight line method over their estimated useful economic lives of 2.5 – 8 years.

No amortisation is calculated on software development until the underlying software is completed and is ready for its intended use.

(v) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. It has a finite useful life that ranges between 1 to 8 years and are amortised on a straight-line basis over the period of the expected benefits and assessed at each reporting date whether any indication of impairment exists. See accounting policy Note 3(f) on impairment of non-financial assets.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses plus the fair value of share grants over the Company's equity instruments for employees (including full-time executive directors) of the subsidiaries during the vesting period, deemed as capital contribution. See accounting policy Note 3(s)(iii) on share-based compensation benefits. 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(f) on impairment of non-financial assets.

(e) 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.

Financial assets

(i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

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

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

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost:

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI:

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating expenses and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL:

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other operating expenses in the period in which it arises.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised within other operating expenses in the statement of profit or loss as applicable.

(iv) Subsequent measurement - impairment

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has five types of financial instruments that are subject to the ECL model:
- Trade receivables
- Finance lease receivables
- Contract assets
- Other receivables and deposits
- Amounts due from related parties

The Company has two types of financial instruments that are subject to the ECL model:
- Other receivables and deposits
- Loans due from a subsidiary

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9 "Financial Instruments", the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial assets (continued)

(iv) Subsequent measurement - impairment (continued)

(a) General 3-stage approach for other receivables, deposits, and loans to subsidiaries

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(b) Simplified approach for trade receivables, finance lease receivables, contract assets and amounts due from related parties.

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all the above.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating; and
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, when counterparty fails to make contractual payment more than 90 days after they fall due or the debtor is insolvent or has significant financial difficulties.

Financial instruments that are credit-impaired are assessed on individual basis.

For certain categories of financial assets, such as trade receivables, finance lease receivables, contract assets and amounts due from related parties, balances that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial assets (continued)

(iv) Subsequent measurement - impairment (continued)

Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade receivables, finance lease receivables, contract assets and amounts due from related parties have been grouped based on shared credit risk characteristics of customer's behaviour and the days past due. The contract assets relate to unbilled amounts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual assessment

Trade receivables, finance lease receivables, contract assets, other receivables and deposits, related parties' owings and loans due from a subsidiary that are in default or credit-impaired are assessed individually.

Write-off

(a) Trade receivables, finance lease receivables, contract assets and amounts due from related parties

The above is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on the above are presented within 'Impairment of receivables and deposits, net' in the statements of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item in the statements of profit or loss.

(b) Other receivables and deposits and loans due from a subsidiary

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. These are presented as net impairment losses within 'Impairment of receivables and deposits, net' in the statements of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial liabilities

(i) Classification and measurement

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 derivative financial instruments and deferred contingent consideration arising from business combinations) and financial guarantee contracts. See accounting policy Note 3(g) 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 that are directly attributable to the acquisition of the financial liability and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these liabilities are recognised in the statement of profit or loss.

The Group's and the Company's other financial liabilities comprise payables (including inter-companies and related parties' balances) and borrowings in the statement 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 and derecognition

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

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

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement 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 asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(f) Impairment of 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 of disposal 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 which are largely independent of the cash inflows from other assets or groups of assets ("CGUs"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of non-financial assets (continued)

Any impairment loss is charged to the statement of profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the statement of profit or loss 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.

(g) 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 at each reporting date.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivative that does not qualify for hedge accounting are classified as "held for trading" and accounted for at fair value through profit and loss. Changes in fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

Derivatives that qualify for hedge accounting are designated as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve in shareholders' equity are shown in Note 32(c). 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. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Derivative financial instruments and hedging activities (continued)

Cash flow hedge (continued)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss and deferred cost of hedging included in equity depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to profit or loss in the same period that the hedged cash flows affect profit or loss. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that was reported in equity is immediately reclassified to the statement of profit or loss.

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

(h) 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 makes certain assumptions and applies 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.

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 values of interest rate swaps are calculated as the present value of estimated future cash flow using an appropriate market-based yield curve. The fair values of forward foreign exchange contracts are determined using the forward exchange rates as at each reporting date.

(i) Inventories

Inventories 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.

(j) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Trade and other receivables (continued)

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See Note 3(e)(iv) for the impairment policy on receivables.

(k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

Accounting as lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(i) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

Accounting as lessee (continued)

(ii) ROU assets (continued)

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Land and network infrastructure	2 - 90 years
Offices and customer service centers	2 - 20 years

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- the exercise price of extension options if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group presents the lease liabilities within borrowings in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(iv) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of equipment, land and buildings, and network cell sites and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss.

Accounting as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

Accounting as a lessor (continued)

(i) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under an operating lease as lease income on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

(iii) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 “Revenue from Contracts with Customers”.

(l) Loans to subsidiaries

Loans to subsidiaries are recognised initially at fair value. If there are any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See Note 3(e)(iv) for the impairment policy on receivables.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of deposits with maturity more than three months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) 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 net of transaction costs incurred, which include transfer taxes and duties. Payables are subsequently measured at amortised cost using the effective interest method.

(p) 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 statement of profit or loss 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, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance costs in the statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss within finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Borrowings (continued)

(i) Borrowings in a designated hedging relationship

Borrowings subject to cash flow hedges are recognised initially at fair value based on the applicable interest rate plus any 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 statement of profit or loss over the borrowing period using the effective interest method.

Interest expense on the borrowings are recognised in the statement of profit or loss, along with the associated gains or losses on the hedging instrument, which have been reclassified from the cash flow hedging reserve to the statement of profit or loss.

(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 statement of profit or loss over the borrowing period using the effective interest method.

(q) 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 reviewed at each reporting date and adjusted to reflect the current best estimate. When it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are measured at the present value of management's best estimate 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.

The estimated amount is determined after taking into consideration the time value of money, risk specific to the provision and the current conditions of the sites. The initial estimated amount is capitalised as part of the cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Provisions for liabilities and charges (continued)

(ii) Staff incentive scheme

Provision for staff incentive scheme is based on management's best estimate of the total employee benefits payable as at reporting date based on the service and/or performance conditions of individual employees and/or financial performance of the Group.

(iii) Separation benefits

Provision for staff mutual separation scheme is based on management's best estimate of the total employee benefits payable based on the number of consecutive years of employment with the Group.

(r) Income taxes

The tax expenses for the period comprise current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the statement of profit or loss 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, and real property gains taxes payable on disposal of properties.

Deferred tax is provided 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 liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also 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, investment tax allowance or unused tax losses can be utilised.

Deferred tax liability is recognised for all taxable temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Income taxes (continued)

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.

(s) Employee benefits

(i) Short-term employee benefits

Salaries, paid annual leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis, and the Group has no legal or constructive obligation 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 contributions to defined contribution plans are charged to the statement of profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. The Group recognises a provision when an employee has provided services in exchange for employee benefits to be paid in the future. When contributions to a defined contribution plan are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, they shall be discounted to present value.

(iii) Share-based compensation benefits

The Group and the Company operate equity-settled, share-based compensation plans for eligible employees (including full-time executive directors) of the Group and of the Company, pursuant to the Long Term Incentive Plan ("LTIP") and incentive arrangement.

Where the Group and the Company pay for services of employees using the share grants, the fair value of the share grants which is determined using the observable market price of the shares at the grant date is recognised as an employee benefit expense in the statement of profit or loss over the vesting periods, with a corresponding increase in equity.

When the shares of the Company are acquired from the open market at market price using cash incentive payable to employees under the incentive arrangement, the transactions are recorded in share-based payments reserve and are recognised as an employee benefit expense in the statement of profit or loss over the vesting periods.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and the number of shares that are expected to vest by the vesting date. At each reporting date, the Group and the Company revise this estimated number of shares and any revision of this estimate is included in the statement of profit or loss and with the corresponding adjustment in equity.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Share-based compensation benefits (continued)

Non-market vesting conditions attached to the transactions are not taken into account in determining fair value. Non-market vesting and service conditions are included in assumptions about the number of shares that are expected to vest.

When share grants are forfeited due to failure by the employee to satisfy the service and/or performance conditions, any expenses previously recognised in relation to such share grants are reversed effective on the date of the forfeiture.

If the share grants expire or lapse, the corresponding share-based payments reserve attributable to the share grants are transferred to retained earnings.

In the separate financial statements of the Company, the fair value of the share grants offered to employees of the subsidiary in exchange for the services of employees to the subsidiary are treated as a capital contribution and thus recognised as investment in subsidiary, with a corresponding credit to equity.

(iv) Separation benefits

Separation benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises separation benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of separation benefits. In the case of an offer made to encourage voluntary redundancy, the separation benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(t) Income recognition

(i) Revenue from contract with customers

<u>Telecommunications revenue</u>

Revenue from prepaid services is recognised when services are rendered. Consideration from the sale of prepaid sim cards and reload vouchers to customers where services have not been rendered at the reporting date is deferred as contract liability until actual usage or when the cards, vouchers or reloaded amounts are expired or forfeited.

Postpaid services are provided in postpaid packages which consist of a series of promised services including voice, data, text, digital and other converged telecommunications services. As the services are separately identifiable and the customers can benefit from each of the services on its own, each service is accounted for as a separate performance obligation.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income recognition (continued)

(i) Revenue from contract with customers (continued)

Telecommunications revenue (continued)

For postpaid usage-based plans, revenue is recognised when the customers use the services and is measured at the consideration specified in the contract.

Fixed fee postpaid service plans may include services which provide customers with limited and unlimited usage for the respective services within the plan. For services with unlimited usage, revenue is recognised proportionately over the fixed fee billing period based on the consideration allocated for the service. For services with limited usage, revenue is recognised when the customer utilises their entitled usage and is measured based on the consideration allocated for the service. Services with limited usage can be utilised up to the end of the fixed fee period. At the end of the fixed fee period, the remaining consideration allocated for the service which has not been utilised is recognised as revenue in full.

The consideration specified in the contract is adjusted for expected discounts and rebates for contracts which offer discounted rates when certain volume commitments are met, to the extent that it is highly probable that a significant reversal will not occur. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. As the amount billed to customer is higher than the transaction price, a contract liability is recognised.

Postpaid packages are either sold separately or bundled together with the sale of a device to a customer. Devices can also be obtained separately from other device retailers and can be used together with the postpaid packages provided by the Group. As postpaid packages and devices are capable of being distinct and separately identifiable, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices (“RSSP”) of the postpaid packages and device.

Stand-alone selling prices are based on observable sales prices; however, where stand-alone selling prices are not directly observable, estimates will be made maximising the use of observable inputs.

Sale of device

Revenue from sale of device is recognised at the point in time when control of the asset is transferred to the customer, usually on delivery and acceptance of the device.

Payment for the transaction price of the device is typically collected at the point the customer signs up for the bundled contract, except for bundled packages that have a payment structure allowing customers to pay for the device over a period of up to 36 months. For these arrangements, the Group discounts the transaction price using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component. The financing component is recognised as interest revenue over the contract period and presented as part of the revenue of the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income recognition (continued)

(i) Revenue from contract with customers (continued)

Sale of device (continued)

Devices and equipment that are transferred as part of a fixed line telecommunications services bundled package which can only be used together with the services provided by the Group, are considered as a single performance obligation in telecommunications services revenue.

The contract for sale of devices does not give the customers a right of return nor responsibilities within the ambit of device manufacturer's warranty.

When another party is involved in providing devices to a customer, the Group is a principal in such arrangements when it controls the devices before they are transferred to the customers. As the principal, the Group recognises revenue on the gross consideration allocated to the devices with the corresponding direct costs of satisfying the contract.

Customer loyalty programme

The Group operates a loyalty programme which may provide the customers a material right to acquire future products and services from the Group or selected partner vendors of the Group for free or at a discount.

Where there is a material right to the customer, a portion of the consideration specified in the contract is allocated to the material right on a RSSP basis. The consideration allocated is recognised as a contract liability. Revenue is only recognised when the material rights such as free goods or discounts are redeemed or expired.

(ii) Interest revenue

Interest revenue on receivables from contracts with customers with significant financing components is recognised over the customer's contract period using an effective interest rate reflecting the customers' credit risk.

(iii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are presented within "Receivables, deposits and prepayments" of the statement of financial position.

(iv) Contract liabilities

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customer, whichever is earlier. Contract liabilities are presented within "Payables and accruals" of the statement of financial position.

Contract liabilities are recognised as revenue when the Group performs under the contract.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income recognition (continued)

(v) Dividend income

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

(vi) 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.

(u) Incremental costs incurred to acquire a contract

The direct and incremental costs of acquiring a contract including, for example, sales commissions are recognised as contract cost assets as these are incremental costs that would not have been incurred by the Group if the respective contracts had not been obtained. The Group expects to recover these costs in the future through telecommunications services revenue earned from the customer. These are amortised consistently over the term of the specific contract to which the cost relates to.

Where the costs incurred to acquire a contract are in respect of contracts with amortisation period of less than one year, these are recognised as an expense when incurred in line with the practical expedient elected by the Group.

Amortisation of contract acquisition costs is presented within traffic, device, commissions and other direct costs within the statement of profit or loss.

An impairment loss is recognised to profit or loss to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of considerations that the Group expects to receive for the specific contract that the cost relate to less additional costs required to complete the specific contract.

(v) Deferred income – Government grant

As a Universal Service Provider, the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to Universal Service Provider 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 recognised as income in the statement of profit or loss to match them with the expenses they are intended to compensate in the period they are incurred.

Government grants relating to the purchase of assets are included in non-current liabilities in the statement of financial position as deferred income and are credited to the statement of profit or loss as income on a straight-line basis over the expected useful lives of the corresponding assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

(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 and the Chief Financial Officer. The chief operating decision-makers are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

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 judgments

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 a 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.

Critical accounting estimates and judgments – Group

(a) Impairment assessment of intangible assets - goodwill

Goodwill is not amortised but is tested annually for impairment or more frequent if events or changes in circumstances indicate that it might be impaired. When performing an impairment testing, the carrying amount of goodwill is allocated to the converged telecommunications services and solutions CGU. The recoverable amount of a CGU is determined based on value-in-use calculations.

The key assumptions used in the value-in-use calculations require management's estimates and are sensitive to changes in compounded revenue and EBITDA (i.e. profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs) annual growth rates in the projection period, post-tax discount rate and terminal growth rate. See Note 16 to the financial statements for the key assumptions on the impairment assessment of goodwill.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and judgments - Group (continued)

(b) Estimated useful lives and impairment assessment of property, plant and equipment and intangible assets - software

The Group reviews annually the estimated useful lives and assesses for indicators of impairment of property, plant and equipment and software within the intangible assets based on factors such as business plans and strategies, historical sector and industry trends, general market and economic conditions, regulatory landscape, 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. Any impairment or reduction in the estimated useful lives would increase charges to the statement of profit or loss and decrease their carrying value. See Note 15 and 16 to the financial statements for the impact of the changes in the estimated useful lives of property, plant and equipment and intangible assets.

(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 27 to the financial statements for the impact on changes in estimates.

(d) Revenue recognition for contracts with customers

Identification of performance obligation

Certain contracts with customers are bundled packages that may include sale of products and telecommunications services that comprise voice, data and other converged telecommunications and solutions services. The Group accounts for individual products and services separately as separate performance obligations if they are distinct promised goods and services, i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it separately. The Group exercises judgments to identify if products and services within the bundled package are distinct as a separate promised products and services. This determination will affect the allocation of consideration specified in the contract and the revenue recognised for each performance obligation.

Principal versus agent

The Group is a principal for sale of devices as the Group controls the device before it is transferred to the customer. In making such an assessment, the Group takes into consideration both the legal form of the contract with its customer and supplier. Revenue from sale of device is recognised on a gross basis and payment to the supplier for device cost is recorded as a direct cost.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and judgments - Group (continued)

(d) Revenue recognition for contracts with customers (continued)

Determining stand-alone selling price ("SSP")

The Group has assessed that there are two performance obligations for bundled contracts where the Group needs to allocate the transaction price between the postpaid service and device based on their relative SSP.

SSP for postpaid packages and devices are based on observable sales prices; however, where certain SSP are not directly observable, estimates will be made maximising the use of observable inputs.

The estimation of SSP is a significant estimate as it will directly determine the amount of revenue to be recognised up front (sale of device) and amount of revenue to be recognised over time (telecommunications revenue). For example, a lower SSP for device will result in a lower amount of revenue recognised upfront and higher amount of revenue recognised over the contract period.

(e) Income taxes

Significant estimation is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the final tax determination is uncertain at the reporting date. The Group applies consistent tax treatment on such transactions and computations when determining the Group's provision for income taxes for all years of assessment.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(f) Determining the lease term where the Group acts as a lessee

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract and determines the period for which the contract is enforceable. However, for leases of certain telecommunications network sites, the contract contains an exit clause that is exercisable by both the lessee and lessor with a short notification period. For such contracts, the Group considers whether the lessee and lessor each has the right to terminate the lease without the permission from the other party with no more than an insignificant penalty, in determining the lease term. In determining a penalty, the Group assesses monetary and non-monetary considerations which include amongst others, network cell site relocation effort.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The determination of the lease term is a significant judgment as it will directly affect the recognition of a lease as a short term lease or a right-of-use asset with a corresponding lease liability. For example, a short term lease is recognised as an expense in the profit or loss throughout the lease term while a lease recognised as a right-of-use asset is capitalised and depreciated on a straight line basis over the lease term with a corresponding lease liability measured at the present value of the lease payments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and judgments - Group (continued)

(g) Provision for expected credit losses of trade receivables and contract assets

The Group applies a simplified approach in calculating ECLs for trade receivables, finance lease receivables and contract assets. To measure the expected loss rates, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. These historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as unemployment rate, interest rate and economic outlook. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group estimates the relationship between historical loss rates and forward-looking information on macroeconomic factors and ECL which may not be representative of a customer's actual default in the future.

Critical accounting estimates and judgments - Company

(a) Investments in subsidiaries

The Company will assess at the end of each reporting period whether there is any indication that the investment in subsidiaries may be impaired. If any such indication exists, the Company will perform an impairment assessment on the carrying amount of its investment against its recoverable amount.

The key assumptions used in determining the recoverable amount require management's estimates and are sensitive to changes in compounded revenue and EBITDA annual growth rates in the projection period, post-tax discount rate and terminal growth rate. See Note 18 to the financial statements for the key assumptions on the impairment assessment of the investments in subsidiaries.

5 SEGMENT REPORTING

Segment reporting is not presented as the Group is primarily engaged in providing converged telecommunications services and solutions in Malaysia, whereby the measurement of profit or loss including EBIT (i.e. profit before finance income, finance costs and tax expenses) that is used by the chief operating decision-makers is on a Group basis.

The Group's operations are mainly 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	
	2023 RM'million	**2022 RM'million**
Malaysia	**9,995**	9,536
Other countries[1]	**185**	253
Total revenue	**10,180**	9,789
EBIT	**1,890**	2,209

Note:
[1] Represents revenue from roaming and hubbing business.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6 REVENUE

		Group		Company	
	Note	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Revenue comprises the following:					
Revenue from contracts with customers	(a)	**9,986**	9,661	**-**	-
Interest revenue	(b)	**139**	73	**-**	-
Lease income	(c)	**55**	55	**-**	-
Dividend income from subsidiaries		**-**	-	**1,332**	1,547
		10,180	9,789	**1,332**	1,547

(a) Revenue from contracts with customers

	Group	
	2023 RM'million	2022 RM'million
(i) Disaggregation of revenue from contracts with customers:		
- Telecommunications services and solutions		
- postpaid	**4,463**	4,249
- prepaid	**2,619**	2,693
- others	**1,296**	1,266
	8,378	8,208
- Sale of devices	**1,608**	1,453
	9,986	9,661
(ii) Timing of revenue recognition:		
- at a point in time	**2,753**	2,691
- over time	**7,233**	6,970
	9,986	9,661

(b) Interest revenue

The Group offers devices in bundled contracts that allow customers to pay for the devices over a period of up to 36 months (2022: up to 36 months). The interest revenue represents the significant financing component of such contracts.

6 REVENUE (CONTINUED)

(c) Lease income

The Group, as a lessor, leases certain network telecommunications sites under operating leases. The leases have lease term ranges from 3 months to 3 years (2022: 3 months to 3 years).

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	Group	
	2023 RM'million	**2022 RM'million**
Within one year	**29**	24
Later than one year but not later than five years	**18**	14
	47	38

(d) Unsatisfied performance obligations

The revenue expected to be recognised in the following financial years in relation to performance obligations that are unsatisfied as at the reporting date is as follows:

	Group	
	2023 RM'million	**2022 RM'million**
Telecommunications services	**1,918**	1,806

Management expects that all of the transaction price allocated to the unsatisfied performance obligations as at the end of the financial year will be recognised as revenue within the next 36 months (2022: 36 months).

7 STAFF AND RESOURCE COSTS

The staff and resource costs incurred by the Group net of capitalisation in property, plant and equipment and intangible assets during the financial year comprise:

	Group	
	2023 RM'million	**2022 RM'million**
Salaries and bonuses	**647**	612
Defined contribution plan	**90**	87
Other employee benefits	**152**	82
Share-based payment (reversal)/expense	**(9)**	32
	880	813

Included in other employee benefits are separation benefit expenses incurred as part of the staff and resource cost optimisation exercise.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Directors' remuneration

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

	Group		Company	
	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Non-Executive Directors				
Fees	**4**	4	**4**	4
Estimated monetary value of benefits-in-kind	*	-	*	-
Total Directors' remuneration	**4**	4	**4**	4

* Less than RM1 million.

(b) 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	
	2023 RM'million	2022 RM'million
Salaries and other short-term employee benefits	**25**	41
Defined contribution plan	**3**	2
Share-based payments	*	17
Estimated monetary value of benefits-in-kind	*	*
	28	60

Total key management personnel remuneration of the Group and of the Company for the financial year is RM32 million (2022: RM64 million) and RM4 million (2022: RM4 million) respectively.

* Less than RM1 million.

9 DEPRECIATION AND AMORTISATION

	Note	Group 2023 RM'million	Group 2022 RM'million
Depreciation of:			
- property, plant and equipment	15	**1,187**	1,065
- right-of-use assets	17	**338**	344
Amortisation of intangible assets	16	**378**	312
		1,903	1,721

10 FINANCE INCOME AND COSTS

	Note	Group 2023 RM'million	Group 2022 RM'million	Company 2023 RM'million	Company 2022 RM'million
(a) Finance income					
Interest income on:					
- deposits with licensed banks		**27**	30	**1**	1
- loans due from a subsidiary		**-**	-	**22**	15
		27	30	**23**	16
(b) Finance costs					
Accretion of site rectification and decommissioning works costs and changes in costs estimate on provision (net)	27	**15**	14	**-**	-
Interest expense on:					
- borrowings		**331**	306	**-**	-
- supplier financing	28(a)	**38**	19	**-**	-
- lease liabilities	17	**84**	85	**-**	-
Net fair value loss on interest rate swap ("IRS"):					
- cash flow hedge, reclassified from equity	32(c)	**-**	8	**-**	-
Others		**5**	5	*****	*
		473	437	*****	*

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

11 PROFIT OR LOSS ITEMS

This note provides a breakdown of items charged/(credited):

		Group		Company	
	Note	2023 RM'million	2022 RM'million (Restated)	2023 RM'million	2022 RM'million
Impairment of receivables and deposits	33(b)	**178**	156	-	-
Amortisation of:					
- contract cost assets	21(d)	**200**	207	-	-
- intangible assets	16	**378**	312	-	-
- deferred income	29	**(157)**	(150)	-	-
Bad debts recovered		**(49)**	(48)	-	-
Commissions and incentives		**372**	363	-	-
Depreciation of:					
- property, plant and equipment	15	**1,187**	1,065	-	-
- right-of-use assets	17	**338**	344	-	-
Device expenses		**1,945**	1,702	-	-
Fair value (gains)/losses on forward foreign exchange contracts					
- realised		**(5)**	(12)	-	-
- unrealised		**(1)**	1	-	-
Government grant relating to costs		**(61)**	(99)	-	-
Inter-operator traffic expenses		**304**	429	-	-
Licences and Universal Service Provision ("USP") contributions under the Communications and Multimedia Act, 1998 and subsidiary legislation		**389**	377	-	-
Losses/(gains) on foreign exchange differences:					
- realised		**4**	7	*	*
- unrealised		**2**	(2)	-	-
Management fees charged by a subsidiary		**-**	-	3	4

* Less than RM1 million.

11 PROFIT OR LOSS ITEMS (CONTINUED)

This note provides a breakdown of items charged/(credited): (continued)

	Note	Group 2023 RM'million	Group 2022 RM'million (Restated)	Company 2023 RM'million	Company 2022 RM'million
Property, plant and equipment:					
- gain on disposal		**(1)**	(*)	**-**	-
- net reversal of impairment	15	**(4)**	(7)	**-**	-
- write-offs	15	**144**	17	**-**	-
Intangible assets write-off	16	**27**	-	**-**	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	27	**(5)**	(7)	**-**	-
- staff incentive scheme (included in staff and resource costs)	27	**131**	133	**-**	-
Rental of:	17				
- equipment		**26**	18	**-**	-
- land and buildings		**9**	(2)	**-**	-
- network cell sites		**57**	55	**-**	-
Termination of lease contracts		**(1)**	(12)	**-**	-
Impairment of goodwill		**2**	-	**-**	-
Impairment of investment in subsidiaries		**-**	-	**18**	-

* Less than RM1 million.

	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:				
- fees for statutory audits:				
- auditors of the Group	**1,133,500**	926,500	**40,000**	40,000
- others	**17,500**	16,000	**-**	-
- fees for audit related services:				
- auditors of the Group[(1)]	**185,000**	621,400	**-**	374,000
- fees for other services:				
- member firms of PwC Malaysia[(2)]	**1,061,000**	1,658,818	**12,500**	16,000

Notes:

(1) Fees incurred in connection with performance of quarter reviews, agreed-upon procedures and regulatory compliance reporting paid or payable to PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146) ("PwC Malaysia"), auditors of the Group and of the Company.

(2) Fees incurred in connection with tax compliance services, due diligence and advisory services paid or payable to member firms of PwC Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

12 TAX EXPENSES

		Group		Company	
		2023	**2022**	**2023**	**2022**
		RM'million	**RM'million**	**RM'million**	**RM'million**
	Note		**(Restated)**		
Current tax:					
- current year		**633**	559	**6**	4
- under/(over) provision in prior years	(i)	**56**	(2)	*****	*
		689	557	**6**	4
Deferred tax:					
- origination and reversal of temporary differences		**(253)**	94	**-**	-
- recognition and reversal of prior years' temporary differences		**16**	(*)	**-**	-
	23	**(237)**	94	**-**	-
Tax expenses		**452**	651	**6**	4

* Less than RM1 million.

Note (i)

Maxis Broadband Sdn Bhd ("MBSB"), a wholly owned subsidiary of the Company, was served with the following notices of additional assessments with penalties (the "Assessments") by Inland Revenue Board ("IRB"):

(i) Notice of additional assessment issued in November 2019 disallowed MBSB from its entitlement to incremental chargeable income exemption ("ICI Notice") for Year of Assessment 2017; and

(ii) Notices of additional assessment issued in November 2020, March 2021, February 2022 and April 2023, disallowed MBSB's deduction of interest expenses incurred for the Years of Assessment 2016 and 2017, 2018 and 2019, 2020 and 2021 respectively.

The Assessments (excluding notice issued in April 2023) were disclosed as contingent liabilities in the previous financial year. On 29 December 2023, IRB and MBSB agreed to global settlement terms for the Assessments. Pursuant thereto, MBSB recognised and paid additional tax of RM73 million as full and final settlement of the Assessments. A settlement agreement is subsequently signed in accordance with the Income Tax Act 1967 on 14 February 2024.

12 TAX EXPENSES (CONTINUED)

The Malaysian Budget 2022 introduced a one-off increase in the corporate tax rate to 33% on chargeable income that exceeds RM100 million for year of assessment 2022. In previous year, the computation of deferred tax assets and liabilities had been adjusted to reflect such change.

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
		(Restated)		
Numerical reconciliation between the Malaysian tax rate and average effective tax rate				
Malaysian tax rate	**24**	33	**24**	24
Tax effects of:				
- expenses not deductible for tax purposes	**2**	3	**1**	1
- recognition and reversal of prior years' temporary difference	**1**	-	**-**	-
- under/(over) provision of prior year tax	**4**	(*)	*	*
- income not subject to tax	**-**	-	**(24)**	(24)
Average effective tax rate	**31**	36	**1**	1

* Less than 1%.

13 EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2023	**2022**
		(Restated)
Profit attributable to the equity holders of the Company (RM'million)	**993**	1,152
Weighted average number of issued ordinary shares ('million)	**7,831**	7,828
Basic earnings per share (sen)	**12.7**	14.7

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

13 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issuance of the Company is adjusted to assume full conversion of all dilutive potential ordinary shares to be issued by the Company.

Share grants are treated as contingently issuable shares because their issuance is contingent upon satisfying specified vesting conditions comprising, amongst others, performance targets and/or conditions, as disclosed in Note 31(a) to the financial statements, in addition to the passage of time. They are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the financial year.

	Group	
	2023	**2022 (Restated)**
Profit attributable to the equity holders of the Company (RM'million)	**993**	1,152
Weighted average number of issued ordinary shares ('million)	**7,831**	7,828
Adjustment for LTIP ('million)	**2**	4
Adjusted weighted average number of ordinary shares for diluted earnings per share ('million)	**7,833**	7,832
Diluted earnings per share (sen)	**12.7**	14.7

14 DIVIDENDS

	Company			
	2023		2022	
	Sen	**RM'million**	**Sen**	**RM'million**
Single-tier tax-exempt ordinary dividends				
- In respect of previous financial year				
- fourth interim (2022: fourth and special interim)	**5.0**	**392**	5.0	391
- In respect of current financial year				
- first interim	**4.0**	**313**	5.0	391
- second interim	**4.0**	**313**	5.0	392
- third interim	**4.0**	**313**	5.0	392
	17.0	**1,331**	20.0	1,566

Subsequent to the financial year, on 22 February 2024, the Directors declared a fourth interim single-tier tax-exempt dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023 which will be paid on 21 March 2024.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2023.

15 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'million	Buildings RM'million	Telecom-munications equipment RM'million	Motor vehicles RM'million	Office furniture, fittings and equipment RM'million	Capital work-in-progress RM'million	Capital inventories RM'million	Total RM'million
2023									
Net book value									
At 1 January		11	50	4,594	3	285	650	46	5,639
Additions		-	-	-	1	4	913	162	1,080
Changes in cost estimates	27	-	-	(6)	-	-	-	-	(6)
Depreciation	9	-	(2)	(1,047)	(1)	(137)	-	-	(1,187)
Reversal of impairment	11	-	-	-	-	-	-	4	4
Transfers		-	-	1,142	-	84	(1,072)	(154)	-
Reclassification to intangible assets	16	-	-	-	-	(2)	-	-	(2)
Disposal		-	-	-	*	-	-	*	*
Write-offs	11	-	-	(132)	-	(12)	-	-	(144)
At 31 December		11	48	4,551	3	222	491	58	5,384
At 31 December 2023									
Cost		11	75	12,581	20	1,775	491	63	15,016
Accumulated depreciation		-	(27)	(8,030)	(17)	(1,553)	-	-	(9,627)
Accumulated impairment		-	-	-	-	-	-	(5)	(5)
Net book value		11	48	4,551	3	222	491	58	5,384

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Freehold land RM'million	Buildings RM'million	Telecom-munications equipment RM'million	Motor vehicles RM'million	Office furniture, fittings and equipment RM'million	Capital work-in-progress RM'million	Capital inventories RM'million	Total RM'million
2022									
Net book value									
At 1 January		11	52	4,211	3	220	594	102	5,193
Additions[1]		-	-	2	1	5	1,394	119	1,521
Changes in cost estimates	27	-	-	7	-	-	-	-	7
Depreciation	9	-	(2)	(923)	(1)	(139)	-	-	(1,065)
Reversal of impairment	11	-	-	-	-	-	-	7	7
Transfers		-	-	1,317	-	203	(1,338)	(182)	-
Reclassification to intangible assets	16	-	-	(7)	-	-	-	-	(7)
Write-offs	11	-	-	(13)	-	(4)	-	-	(17)
At 31 December		11	50	4,594	3	285	650	46	5,639
At 31 December 2022									
Cost		11	75	12,032	23	1,731	650	55	14,577
Accumulated depreciation		-	(25)	(7,438)	(20)	(1,446)	-	-	(8,929)
Accumulated impairment		-	-	-	-	-	-	(9)	(9)
Net book value		11	50	4,594	3	285	650	46	5,639

[1] Includes RM2 million assets acquired through acquisition of subsidiaries in the previous financial year as disclosed in Note 38 to the financial statements.

In the current financial year, the Group revised the useful lives of certain telecommunications equipment from 9 years to 7 years. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year had increased by RM121 million.

16 INTANGIBLE ASSETS

Group	Note	Goodwill RM'million	Telecom-munications licences RM'million	Spectrum rights RM'million	Other spectrum rights RM'million	Customer relationships RM'million	Software RM'million	Software development RM'million	Total RM'million
2023									
Net book value									
At 1 January		9,687	*	1,218	94	8	474	26	11,507
Additions/ (remeasurement)		-	-	-	(3)	-	-	94	91
Transfers		-	-	-	-	-	91	(91)	-
Reclassification from property, plant and equipment	15	-	-	-	-	-	2	-	2
Impairment		(2)	-	-	-	-	-	-	(2)
Amortisation charge	9	-	-	(119)	(57)	(5)	(197)	-	(378)
Write-offs	11	-	-	-	-	-	(27)	-	(27)
At 31 December		9,685	*	1,099	34	3	343	29	11,193
At 31 December									
Cost		9,687	*	1,396	120	15	786	29	12,033
Accumulated amortisation		-	-	(297)	(86)	(12)	(443)	-	(838)
Accumulated impairment		(2)	-	-	-	-	-	-	(2)
Net book value		9,685	*	1,099	34	3	343	29	11,193

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16 INTANGIBLE ASSETS (CONTINUED)

Group	Note	Goodwill RM'million	Telecom-munications licences RM'million	Spectrum rights RM'million	Other spectrum rights RM'million	Customer relationships RM'million	Software RM'million	Software development RM'million	Total RM'million
2022									
Net book value									
At 1 January		9,581	*	1,337	-	-	527	29	11,474
Acquisitions of subsidiaries		106	-	-	-	15	-	-	121
Additions		-	-	-	137	-	-	80	217
Transfers		-	-	-	-	-	83	(83)	-
Reclassification from property, plant and equipment	15	-	-	-	-	-	7	-	7
Amortisation charge	9	-	-	(119)	(43)	(7)	(143)	-	(312)
At 31 December		9,687	*	1,218	94	8	474	26	11,507
At 31 December									
Cost		9,687	*	1,396	137	15	803	26	12,064
Accumulated amortisation		-	-	(178)	(43)	(7)	(329)	-	(557)
Net book value		9,687	*	1,218	94	8	474	26	11,507

* Less than RM1 million.

(a) Goodwill

Included in the carrying value of goodwill are:

(i) RM9,530 million (2022: RM9,530 million) that arose from the Company's acquisition of the entire issued and paid-up share capital of the subsidiaries previously held by Maxis Communication Berhad ("MCB") pursuant to a restructuring exercise completed in financial year 2009 to consolidate the telecommunications operations in Malaysia under the Company ("Pre-Listing Restructuring"); and

(ii) RM155 million (2022: RM155 million) that arose from the acquisition of other businesses. These businesses provide synergy to the Group's existing business.

16 INTANGIBLE ASSETS (CONTINUED)

(b) Spectrum rights

Spectrum rights consist of rights to spectrum bands previously acquired during the Pre-Listing Restructuring exercise in financial year 2009 and it includes the frequency band of 900MHz and 2100MHz. As disclosed in Note 21(c) to the financial statements, these spectrums were reissued to the Group in the form of Spectrum Assignment ("SA") with some upfront price component fees for which the Group has paid in full ("SA fee paid").

In the current financial year, the Group:

(i) revised the useful lives of certain software assets ranging from 5 to 8 years to remaining useful lives ranging from 2.5 to 3 years. The revision was accounted for as a change in accounting estimate and as a result, the amortisation charge for the financial year has increased by RM47 million.

(ii) recognised impairment on goodwill of RM2 million as the carrying amount of goodwill relating to a subsidiary exceeds its recoverable amount.

In the previous financial year, the Group revised the useful lives of certain software assets from 36 months to 30 months. The revision was accounted for as a change in accounting estimate and as a result, the amortisation charge increased by RM12 million.

<u>Impairment testing for CGU containing goodwill and telecommunications licences</u>

For the purpose of impairment testing, the carrying amounts of goodwill and telecommunications licences are allocated to the converged telecommunications services and solutions CGU. 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 a five-year (2022: five-year) period.

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

(a) compounded revenue and EBITDA annual growth rates of 3.9% and 4.0% (2022: 5.7% and 1.0%) respectively and capital expenditure for five years financial budget period which reflect management's expectations based on past experience and estimated 5G single wholesale network ("SWN") costs, current regulatory landscape and future expectations of business performance;

(b) post-tax discount rate of 8.3% (2022: 8.8%). In accordance with the requirements of MFRS 136 "Impairment of Assets", this translates into a pre-tax discount rate of 12.7% (2022: 12.5%). The discount rates used reflect specific risks relating to the converged telecommunications services and solutions CGU; and

(c) terminal growth rate of 2.5% (2022: 2.7%) represents the growth rate applied to extrapolate pre-tax cash flow beyond the five (2022: five) year financial budget period. This growth rate is based on management's assessment of future trends in the mobile telecommunications industry, the operating and regulatory landscape under SWN, new growth opportunities in fixed broadband and enterprise business, using both external and internal sources.

Based on the sensitivity analysis performed, the Directors have concluded that any variation of 10% (2022: 10%) in the base case assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

17 RIGHT-OF-USE ("ROU") ASSETS

(i) Amounts recognised in the statement of financial position

Group	Note	Land and network infrastructure RM'million	Offices and customer service centers RM'million	Total RM'million
2023				
At 1 January		**1,758**	**129**	**1,887**
Additions		**303**	**27**	**330**
Terminations		**(71)**	**-**	**(71)**
Depreciation	9	**(292)**	**(46)**	**(338)**
Remeasurement[1]		**13**	**5**	**18**
At 31 December		**1,711**	**115**	**1,826**
2022				
At 1 January		1,745	109	1,854
Additions		381	43	424
Terminations		(103)	(1)	(104)
Depreciation	9	(293)	(51)	(344)
Remeasurement[1]		28	29	57
At 31 December		1,758	129	1,887

Note:
[1] Remeasurement due to revision in lease term and lease payments.

(ii) Amounts recognised in the statement of profit or loss

	Note	Group 2023 RM'million	Group 2022 RM'million
Interest expense on lease liabilities	10(b)	**84**	85
Rental expenses relating to short-term leases	11	**92**	71
		176	156

17 RIGHT-OF-USE ("ROU") ASSETS (CONTINUED)

(iii) Amounts recognised in the statement of cash flows

	Group	
	2023 RM'million	2022 RM'million
Payments of finance costs	**84**	85
Repayment of lease liabilities	**322**	320
Total cash outflows for leases	**406**	405

18 INTERESTS IN SUBSIDIARIES

		Company	
	Note	2023 RM'million	2022 RM'million
Non-current asset:			
- investments in subsidiaries	(a)	**25,106**	25,138
Current asset:			
- loans due from a subsidiary	(b)	**343**	309
Current liability:			
- amount due to a subsidiary	(c)	*	*
		25,449	25,447

* Less than RM1 million

(a) Investments in subsidiaries

	Company	
	2023 RM'million	2022 RM'million
Unquoted shares, at carrying value		
At 1 January	**25,097**	25,094
Subscriptions of:		
- ordinary shares	**-**	7
- non cumulative convertible redeemable preference shares ("NCCRPS")	**-**	319
Recovery of cost of investment through dividend income	**-**	(65)
Capital repayment by a subsidiary	**-**	(258)
Impairment of investment in subsidiaries	**(18)**	-
	25,079	25,097
Fair value of share grants, over the Company's equity instruments for employees of subsidiaries, net of shares issued	**27**	41
At 31 December	**25,106**	25,138

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

18 INTERESTS IN SUBSIDIARIES (CONTINUED)

(a) Investments in subsidiaries (continued)

During the current financial year, the net asset of certain subsidiaries were lower than the carrying amount of the investments. Thus, the Company has carried out the following:

i) investment in a subsidiary is tested for impairment whereby the recoverable amount was determined based on value-in-use calculations as disclosed in Note 16 to the financial statements, adjusted for the financing cash flows forecast of the subsidiary. No impairment charge was recognised as the recoverable amount exceeded its carrying amount. Based on the sensitivity analysis performed, the Directors have concluded that any variation of 7.8% (2022: 4%) in the base case assumptions would not cause the carrying amount of the investment to exceed its recoverable amount.

ii) investments in other two subsidiaries were tested for impairment and the Company recognised impairment losses of RM18 million on the investments as the carrying amount of the investment exceeded the recoverable amount.

In the previous financial year, dividends totaling to RM65 million that were received from the Company's wholly owned subsidiary, Maxis Mobile Services Sdn Bhd ("MMSSB") were recognised as return of capital thereby reducing the costs of investments. Additionally, the Company received RM258 million from MMSSB arising from its capital reduction exercise.

Information on the subsidiaries is as follows:

Name	Country of incorporation and place of business	Principal activities	Proportion of ownership interests held by the Group	
			2023	**2022**
Advanced Wireless Technologies Sdn. Bhd. ("AWTSB") (Registration No. 200001014945 (517551-U))	Malaysia	Investment holding.	**100%**	100%
Maxis Broadband Sdn. Bhd. ("MBSB") (Registration No. 199201002549 (234053-D))	Malaysia	Provider of a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions to its related parties.	**100%**	100%
Maxis Collections Sdn. Bhd. (Registration No. 199601010926 (383275-M))	Malaysia	Dormant.	**100%**	100%
Maxis International Sdn. Bhd. (Registration No. 199201008568 (240071-T))	Malaysia	Provision of telecommunications services.	**100%**	100%

18 INTERESTS IN SUBSIDIARIES (CONTINUED)

(a) Investments in subsidiaries (continued)

Information on the subsidiaries is as follows: (continued)

Name	Country of incorporation and place of business	Principal activities	Proportion of ownership interests held by the Group 2023	Proportion of ownership interests held by the Group 2022
Maxis Mobile Sdn. Bhd. ("MMSB") (Registration No. 199101019555 (229892-M))	Malaysia	Operator of mobile telecommunications services for special niche projects such as USP.	**100%**	100%
Maxis Mobile Services Sdn. Bhd. ("MMSSB") (Registration No. 198101007199 (73315-V))	Malaysia	Provision of mobile telecommunications services for special niche projects such as USP.	**100%**	100%
Subsidiaries of AWTSB				
UMTS (Malaysia) Sdn. Bhd. (Registration No. 200001017815 (520422-D))	Malaysia	Dormant.	**100%**	100%
ComeBy Sdn. Bhd. ("CSB") (Registration No. 202201005948 (1451645-D))[(1)(2)]	Malaysia	Providing hardware and software solutions for retailers.	**56%**	56%
Gurulab Sdn. Bhd. ("GSB") (Registration No. 202101027625 (1427925-U))[(1)(2)]	Malaysia	Development of technology platforms to aid online learning and provision of educational services.	**59%**	59%
Subsidiary of MMSB				
Maxis Mobile (L) Ltd (LL-01709)	Malaysia	Fully wound up on 15 June 2023.	**-**	100%
Subsidiary of MBSB				
Enterprise Managed Services Sdn. Bhd. (Registration No. 200001010593 (513199-T))	Malaysia	Provision of managed network services and other network services.	**100%**	100%

Notes:
(1) These entities are audited by firms other than member firms of PwC Malaysia.
(2) In the previous financial year, the Group acquired 56% and 59% ownership in CSB and GSB respectively, giving rise to non-controlling interests of 44% and 41% respectively.

(b) Loans due from a subsidiary – Interest bearing

At the end of the financial year, the loans due from a subsidiary are unsecured, carry interest of 4.48% to 4.50% (2022: 4.33%) per annum and maturity date of 19 March 2024 (2022: 29 March 2023).

Management has assessed the loans due from a subsidiary on an individual basis for ECL measurement and the identified impairment loss as at reporting date was immaterial.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

18 INTERESTS IN SUBSIDIARIES (CONTINUED)

(c) Amount due to a subsidiary - Non-interest bearing

The amount due to subsidiary was unsecured and with 30 days credit period (2022: 30 days).

19 FINANCIAL INSTRUMENTS BY CATEGORY

		Group		Company	
	Note	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Financial assets:					
Loans due from a subsidiary	18	**-**	-	**343**	309
Receivables and deposits		**2,273**	2,152	*	*
Amounts due from related parties	25	**15**	9	**-**	-
Deposits, cash and bank balances	26	**569**	628	**15**	32
Financial assets at amortised costs		**2,857**	2,789	**358**	341
Financial assets at FVOCI	20	**4**	4	**4**	4
Derivative financial instruments	22	**-**	*	**-**	-
Financial liabilities:					
Payables and accruals		**3,425**	3,750	**1**	1
Amount due to a subsidiary	18	**-**	-	*	*
Amounts due to related parties	25	**11**	32	**-**	-
Borrowings	30	**9,772**	9,865	**-**	-
Financial liabilities at amortised costs		**13,208**	13,647	**1**	1
Other payables and accruals		**25**	20	**-**	-
Derivative financial instruments	22	**3**	6	**-**	-
Financial liabilities at fair value through profit or loss		**28**	26	**-**	-

* Less than RM1 million.

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Company	
	2023 RM'million	2022 RM'million
Unquoted shares	**4**	4

The Group and the Company have 10% interests in Bridge Mobile Pte. Ltd. ("Bridge Mobile"). Bridge Mobile manages a mobile alliance of various operators and coordinates its activities amongst its shareholders, other mobile operators in the Asia Pacific region and technology vendors.

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Non-current					
Trade receivables	(a)	**449**	337	**-**	-
Deposits		**187**	164	**-**	-
Finance lease receivables		*	1	**-**	-
Contract assets	(b)	**83**	47	**-**	-
Prepayments	(c)	**477**	541	**-**	-
Contract cost assets, net of amortisation	(d)	**154**	141	**-**	-
		1,350	1,231	**-**	-
Impairment:	33(b)				
- trade receivables		**(13)**	(3)	**-**	-
- finance lease receivables		**(*)**	(*)	**-**	-
- contract assets		**(4)**	(2)	**-**	-
		(17)	(5)	**-**	-
		1,333	1,226	**-**	-
Current					
Trade receivables	(a)	**1,544**	1,225	**-**	-
Other receivables		**319**	530	**5**	5
Deposits		**88**	83	*	*
Finance lease receivables		*	*	**-**	-
Contract assets	(b)	**220**	193	**-**	-
Prepayments	(c)	**402**	139	*	*
Contract cost assets, net of amortisation	(d)	**174**	157	**-**	-
		2,747	2,327	**5**	5
Impairment:	33(b)				
- trade receivables		**(263)**	(145)	**-**	-
- other receivables		**(3)**	(*)	**-**	-
- deposits		**(35)**	(40)	**-**	-
- finance lease receivables		**(*)**	(*)	**-**	-
- contract assets		**(11)**	(6)	**-**	-
		(312)	(191)	**-**	-
		2,435	2,136	**5**	5
		3,768	3,362	**5**	5

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables

Gross trade receivables include receivables on deferred payment terms amounting to RM1,011 million (2022: RM788 million), which allow eligible customers to pay for the devices in bundled contracts over a period of up to 36 months. Other than that, the Group's credit policy provides trade receivables with credit periods of up to 120 days (2022: up to 120 days).

Part of trade receivables are secured by customers' deposits and bank guarantees of RM34 million (2022: RM25 million) and RM16 million (2022: RM15 million) respectively.

Information about the impairment of trade receivables and the Group's exposure to credit risk is disclosed in Note 33(b) to the financial statements.

(b) Contract assets

	Group	
	2023 RM'million	**2022 RM'million**
At 1 January	**240**	274
Transfer to receivables	**(645)**	(638)
Additions due to revenue recognised during the year	**708**	604
Net increase/(decrease) during the year	**63**	(34)
	303	240
Less: Impairment	**(15)**	(8)
At 31 December	**288**	232

(c) Prepayments

The Group's prepayments include:

(i) SA fee paid for 900 MHz, 1800 MHz and 2100 MHz SA which are amortised over their underlying SA periods between 15 to 16 years (2022: 15 to 16 years); and
(ii) amount paid for 5G products and services to be delivered by Digital Nasional Berhad ("DNB") pursuant to the Access Agreement as disclosed in Note 39 to the financial statements.

(d) Contract cost assets

		Group	
	Note	**2023 RM'million**	**2022 RM'million**
At 1 January		**298**	280
Capitalisation		**230**	225
Amortisation charge	11	**(200)**	(207)
At 31 December		**328**	298

22 DERIVATIVE FINANCIAL INSTRUMENTS

		Group	
	Note	2023 RM'million	2022 RM'million
Current assets			
Forward foreign exchange contracts:			
Derivatives designated in hedging relationship			
- cash flow hedge on forecast transactions		**-**	*
Derivatives not designated in hedging relationship		**-**	*
		-	*
Current liabilities			
Forward foreign exchange contracts:			
Derivatives designated in hedging relationship			
- cash flow hedge on forecast transactions		**(3)**	(5)
Derivatives not designated in hedging relationship		*****	(1)
		(3)	(6)

* Less than RM1 million.

The Group has entered into forward foreign exchange contracts to hedge against USD/RM, SGD/RM and HKD/RM exchange rate fluctuations on certain payable balances and forecast transactions. The details of the open forward foreign exchange contracts are set out below:

Group	Contract value in foreign currency 'million	Notional Value (RM'million)	Predetermined exchange rates
2023			
USD/RM	**35**	**165**	**RM4.59 to RM4.74/USD**
2022			
USD/RM	41	183	RM4.40 to RM4.68/USD
SGD/RM	6	19	RM3.21 to RM3.35/SGD
HKD/RM	47	27	RM0.57 to RM0.60/HKD

23 DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		
	31.12.2023 RM'million	31.12.2022 RM'million (Restated)	1.1.2022 RM'million (Restated)
Deferred tax assets	*****	1	*
Deferred tax liabilities	**(658)**	(896)	(798)
	(658)	(895)	(798)

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

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'million	Intangible assets RM'million	Receivables RM'million	Contract cost assets RM'million	Contract liabilities RM'million	Payables, accruals and provisions RM'million	Lease liabilities RM'million	Right-of-use asset RM'million	Others RM'million	Total RM'million
At 31 December 2022, as previously reported		**(881)**	**(299)**	**(63)**	**(71)**	**102**	**212**	**489**	**(453)**	**(20)**	**(984)**
Restatement of comparatives	36	**-**	**-**	**-**	**-**	**-**	**89**	**-**	**-**	**-**	**89**
Restated at 1 January 2023		**(881)**	**(299)**	**(63)**	**(71)**	**102**	**301**	**489**	**(453)**	**(20)**	**(895)**
(Charged)/credited to statement of profit or loss:											
- origination and reversal of temporary differences	12	**194**	**(46)**	**(15)**	**(9)**	**9**	**92**	**(16)**	**15**	**13**	**237**
At 31 December 2023		**(687)**	**(345)**	**(78)**	**(80)**	**111**	**393**	**473**	**(438)**	**(7)**	**(658)**
At 1 January 2022, as previously reported		(732)	(393)	(98)	(80)	145	234	509	(469)	(24)	(908)
Restatement of comparatives	36	-	-	-	-	-	110	-	-	-	110
Restated at 1 January 2022		(732)	(393)	(98)	(80)	145	344	509	(469)	(24)	(798)
Acquisition of subsidiaries		-	(3)	-	-	-	-	-	-	*	(3)
(Charged)/credited to statement of profit or loss:											
- origination and reversal of temporary differences	12	(149)	97	35	9	(43)	(43)	(20)	16	4	(94)
At 31 December 2022		(881)	(299)	(63)	(71)	102	301	489	(453)	(20)	(895)

* Less than RM1 million.

23 DEFERRED TAXATION (CONTINUED)

	Group		
	31.12.2023 RM'million	31.12.2022 RM'million (Restated)	1.1.2022 RM'million (Restated)
Deferred tax assets (before offsetting):			
- lease liabilities	**473**	489	509
- payables, accruals and provisions	**393**	301	344
- contract liabilities	**111**	102	145
	977	892	998
Offsetting	**(977)**	(891)	(998)
Deferred tax assets (after offsetting)	*	1	*
Deferred tax liabilities (before offsetting):			
- right-of-use asset	**(438)**	(453)	(469)
- property, plant and equipment	**(687)**	(881)	(732)
- intangible assets	**(345)**	(299)	(393)
- receivables	**(78)**	(63)	(98)
- contract cost assets	**(80)**	(71)	(80)
- others	**(7)**	(20)	(24)
	(1,635)	(1,787)	(1,796)
Offsetting	**977**	891	998
Deferred tax liabilities (after offsetting)	**(658)**	(896)	(798)

* Less than RM1 million.

24 INVENTORIES

	Group	
	2023 RM'million	2022 RM'million
Telecommunications materials and supplies	**4**	5
Devices and equipment	**18**	3
	22	8

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

25 RELATED PARTIES BALANCES

	Note	Group 2023 RM'million	Group 2022 RM'million
Current asset			
Amounts due from related parties		**27**	16
Less: impairment	33(b)(ii)	**(12)**	(7)
		15	9
Current liability			
Amounts due to related parties		**(11)**	(32)

The amounts due from/(to) related parties are trade in nature, unsecured, interest free and with credit periods of up to 90 days (2022: up to 90 days).

26 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Deposits with licensed banks	**311**	409	**12**	30
Cash and bank balances	**258**	219	**3**	2
Deposits, cash and bank balances	**569**	628	**15**	32
Less: Deposits with maturity more than three months	**(29)**	(27)	**-**	-
Cash and cash equivalents	**540**	601	**15**	32

Deposits, cash and bank balances comprise mainly deposits with licensed banks with investment grade credit ratings assigned by domestic credit rating agencies.

Deposits with licensed banks of the Group and of the Company have average maturity periods of 54 days (2022: 33 days) and 22 days (2022: 28 days) respectively as at the financial year end. They are held in short-term money market and fixed deposits. Bank balances are deposits held at call with banks.

26 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

Reconciliation of liabilities arising from financing activities:

Group	2022 RM'million	Cash flows[1] RM'million	Non-cash changes: Interest expense RM'million	Non-cash changes: Fair value changes RM'million	Non-cash changes: Non-cash settlement RM'million	Non-cash changes: Additions RM'million	Non-cash changes: Terminations RM'million	Non-cash changes: Remea-surement[2] RM'million	2023 RM'million
Borrowings	**7,827**	**(355)**	**331**	**-**	**-**	**-**	**-**	**-**	**7,803**
Lease liabilities	**2,038**	**(406)**	**84**	**-**	**(23)**	**330**	**(72)**	**18**	**1,969**
	9,865	**(761)**	**415**	**-**	**(23)**	**330**	**(72)**	**18**	**9,772**

Group	2021 RM'million	Cash flows[1] RM'million	Non-cash changes: Interest expense RM'million	Non-cash changes: Fair value changes RM'million	Non-cash changes: Non-cash settlement RM'million	Non-cash changes: Additions RM'million	Non-cash changes: Terminations RM'million	Non-cash changes: Remea-surement[2] RM'million	2022 RM'million
Borrowings	8,066	(545)	306	-	-	-	-	-	7,827
Lease liabilities	2,024	(405)	85	-	(31)	424	(116)	57	2,038
Derivative financial liabilities held to hedge borrowings	8	(8)	8	(8)	-	-	-	-	-
	10,098	(958)	399	(8)	(31)	424	(116)	57	9,865

Notes:

(1) Excluding interest paid on trade payables under supplier financing.

(2) Remeasurement due to revision in lease term and lease payments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

27 PROVISIONS FOR LIABILITIES AND CHARGES

Group	Note	Site rectification and decommissioning works RM'million	Staff incentive scheme RM'million	Contract obligations RM'million	Total RM'million
2023					
At 1 January		**378**	**126**	**6**	**510**
Capitalised		**30**	**-**	**-**	**30**
Changes in cost estimates:					
- included in profit before tax	11	**(4)**	**-**	**-**	**(4)**
- included in property, plant and equipment	15	**(6)**	**-**	**-**	**(6)**
(Credited)/charged to statement of profit or loss:					
- included in profit before tax	11	**(1)**	**131**	**(2)**	**128**
- included in finance costs	10(b)	**15**	**-**	**-**	**15**
Paid		**(1)**	**(116)**	**-**	**(117)**
At 31 December		**411**	**141**	**4**	**556**
Represented by:					
Non-current liabilities		**393**	**3**	**-**	**396**
Current liabilities		**18**	**138**	**4**	**160**
		411	**141**	**4**	**556**
2022					
At 1 January		349	123	-	472
Capitalised		16	-	-	16
Changes in cost estimates:					
- included in profit before tax	11	(4)	-	-	(4)
- included in property, plant and equipment	15	7	-	-	7
Charged to statement of profit or loss:					
- included in profit before tax	11	(3)	133	6	136
- included in finance costs	10(b)	14	-	-	14
Paid		(1)	(130)	-	(131)
At 31 December		378	126	6	510
Represented by:					
Non-current liabilities		363	3	-	366
Current liabilities		15	123	6	144
		378	126	6	510

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

27 PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Site decommissioning works

As at 31 December 2023, a non-current provision of RM393 million (2022: RM363 million) 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 (2022: 15 to 30 years).

28 PAYABLES AND ACCRUALS

		Group			Company	
	Note	31.12.2023 RM'million	31.12.2022 RM'million (Restated)	1.1.2022 RM'million (Restated)	2023 RM'million	2022 RM'million
Non-current						
Trade payables under supplier financing	(a)	**499**	355	128	**-**	-
Other payables and accruals	(b)	**-**	30	17	**-**	-
		499	385	145	**-**	-
Current						
Trade payables and accruals		**1,655**	2,170	1,673	**-**	-
Trade payables under supplier financing	(a)	**898**	851	877	**-**	-
Other payables and accruals	(b)	**936**	517	697	**1**	1
Deposits and advanced payments from customers		**222**	225	226	**-**	-
Contract liabilities	(c)	**415**	413	414	**-**	-
		4,126	4,176	3,887	**1**	1
		4,625	4,561	4,032	**1**	1

Current trade and other payables of the Group and of the Company carry credit periods of up to 365 days and 90 days (2022: 365 days and 90 days) respectively.

(a) Trade payables under supplier financing

The trade payables under supplier financing are RM payables for goods and services under extended payment schemes which the suppliers have assigned the amounts receivable from the Group to their banks. The Group pays the banks on the due dates of the invoices which ranges from 3 to 36 months from invoice dates. The payables are unsecured. As at 31 December 2023, RM1,162 million (2022: RM832 million) payables carry interests at annual rates ranging from 2.64% to 4.69% (2022: 2.57% to 4.69%) as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

28 PAYABLES AND ACCRUALS (CONTINUED)

(a) Trade payables under supplier financing (continued)

Movements in the balances are as follows:

	Group	
	2023 RM'million	**2022 RM'million**
At 1 January	**1,206**	1,005
Additions	**1,379**	1,623
Interest accretion	**38**	19
Payments	**(1,226)**	(1,441)
At 31 December	**1,397**	1,206
Repayment profile as below:		
Not later than 1 year	**935**	872
Later than 1 year and not later than 2 years	**425**	303
Later than 2 years	**87**	61
	1,447	1,236
Future finance charges	**(50)**	(30)
	1,397	1,206

(b) Other payables and accruals

Included within other payables and accruals are deferred contingent considerations in relation to the business combinations amounting to RM25 million (2022: RM20 million) payable upon achievement of certain targets in year 2023 to 2024 (2022: year 2022 to 2024).

(c) Contract liabilities

	Group	
	2023 RM'million	**2022 RM'million**
At 1 January	**413**	414
Revenue recognised that was included in the contract liability balance at 1 January	**(411)**	(385)
Increases due to cash received, excluding amounts recognised as revenue during the year	**413**	384
At 31 December	**415**	413

As disclosed in Note 22 to the financial statements, foreign currencies denominated payables amounting to USD8 million (2022: USD16 million, SGD2 million and HKD20 million) are hedged against exchange rate fluctuations using forward foreign exchange contracts for which no hedge accounting is applied.

29 DEFERRED INCOME

		Group	
	Note	2023 RM'million	2022 RM'million
At 1 January		**913**	528
Additions		**391**	535
Amortisation	11	**(157)**	(150)
At 31 December		**1,147**	913

Deferred income of the Group relates to the government grants for the purchase of assets.

30 BORROWINGS

		Group	
	Note	2023 RM'million	2022 RM'million
Non-current			
Lease liabilities		**1,681**	1,755
Unsecured			
Term loan	(a)	**596**	594
Islamic Medium Term Notes	(b)	**6,140**	4,789
Commodity Murabahah Term Financing	(c)	**-**	1,944
Business Financing-i	(d)	**498**	500
		8,915	9,582
Current			
Lease liabilities		**288**	283
Unsecured			
Term loan	(a)	*****	-
Islamic Medium Term Notes	(b)	**66**	-
Commodity Murabahah Term Financing	(c)	**501**	-
Business Financing-i	(d)	**2**	-
		857	283
		9,772	9,865

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

30 BORROWINGS (CONTINUED)

(a) Term loan

This 7-year RM600 million term loan facility expires on 29 December 2027, with 50% of the outstanding facility repayable in 3 equal semi-annual instalments commencing on 29 June 2026 and 50% repayable upon maturity.

(b) Islamic Medium Term Notes – Sukuk Murabahah

The Group has established an Unrated Islamic Medium Term Notes ("Sukuk Murabahah") Programme with an aggregate nominal value of up to RM10.0 billion, based on the Islamic principle of Murabahah (via a Tawarruq arrangement) ("Unrated Sukuk Murabahah Programme"). The Unrated Sukuk Murabahah Programme has a tenure of 30 years from its first issuance and the Sukuk Murabahah to be issued shall have a tenure of more than 1 year and maturing no later than 27 July 2046. All series of the Sukuk Murabahah are redeemable on their respective maturity dates. The profits are payable semi-annually.

During the current financial year, the Group issued the below Sukuk Murabahah series for a total nominal value of RM1,400 million to finance its capital expenditure and general working capital requirements:

Series	Tenure (years)	Maturity	Nominal value (RM'million)
Sixteenth	7	January 2030	200
Seventeenth	10	January 2033	300
Eighteenth	5	April 2028	700
Nineteenth	7	April 2030	200

As at the reporting date, the total outstanding nominal value of the Sukuk Murabahah amounted to RM6.14 billion (2022: RM4.74 billion) with remaining tenure of 1.5 to 10 years (2022: 2.5 to 10 years).

(c) Commodity Murabahah Term Financing ("CMTF")

The Group has a CMTF facility of up to RM2.5 billion based on the Islamic principle of Murabahah and had fully drawn down the facility. This facility expires on 7 April 2024 and is repayable in one lump sum on its expiry date.

In current financial year, the Group had partially prepaid RM1,440 million of the Commodity Murabahah Term Financing facility, reducing the outstanding facility to RM500 million.

(d) Business Financing-i ("BF-i")

The Group has a BF-i facility based on the Islamic principle of Murabahah (via a Tawarruq arrangement) of up to RM500 million. This 7-year facility expires on 4 June 2027, with RM125 million repayable on 4 June 2026 and the balance repayable upon maturity.

All borrowings are denominated in Ringgit Malaysia which is the functional currency of the Group.

30 BORROWINGS (CONTINUED)

Contractual terms of borrowings

Group	Contractual interest/ profit rate/ effective interest rate at reporting date (per annum)	Total carrying amount RM'million	Maturity profile < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2023						
Lease liabilities	**4.91%**	**1,969**	**288**	**255**	**561**	**865**
Unsecured						
Term loans	**0.85% + KLIBOR[2]**	**596**	*****	**-**	**596**	**-**
Islamic Medium Term Notes	**3.35% - 5.40%**	**6,206**	**66**	**840**	**3,100**	**2,200**
CMTF	**0.70% + COF[1]**	**501**	**501**	**-**	**-**	**-**
Business Financing-i	**0.70% + COF[1]**	**500**	**2**	**-**	**498**	**-**
		9,772	**857**	**1,095**	**4,755**	**3,065**
At 31 December 2022						
Lease liabilities	4.39%	2,038	283	260	599	896
Unsecured						
Term loans	0.85% + KLIBOR[2]	594	-	-	594	-
Islamic Medium Term Notes	3.35% - 5.40%	4,789	-	-	2,704	2,085
CMTF	0.70% + COF[1]	1,944	-	1,944	-	-
Business Financing-i	0.70% + COF[1]	500	-	-	500	-
		9,865	283	2,204	4,397	2,981

Notes:
(1) COF denotes Cost of Funds.
(2) KLIBOR denotes Kuala Lumpur Interbank Offered Rate.
* Less than RM1 million

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

31 SHARE CAPITAL

(a) LTIP

The Company established two Long Term Incentive Plans in 2015 (“2015 Scheme”) and 2023 (“2023 Scheme”) (collectively known as “LTIP”). The 2015 Scheme and 2023 Scheme are governed by the By-Laws which were approved by the shareholders on 28 April 2015 and 18 May 2023 respectively and is administered by the Nomination and Remuneration Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The Nomination and Remuneration Committee may from time to time, offer LTIP to eligible employees (including executive director) of the Group and includes any person who is proposed to be employed as an employee of the Group (including executive director).

The LTIP comprises a Performance Share Grant (“PS Grant”) and a Restricted Share Grant (“RS Grant”). The salient features of the LTIP are as follows:

(i) The maximum number of new shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new shares under the LTIP shall not, when aggregated with the total number of new shares allotted and issued under the existing Employee Share Option Scheme (“ESOS”), exceed 250,000,000 shares at any point of time during the duration of the LTIP. The ESOS had expired in 2019;

(ii) The Nomination and Remuneration Committee shall decide from time to time at its discretion to determine or vary the terms and conditions of the offer, such as eligibility criteria and allocation for each grant (i.e. the entitlement to receive new shares under the LTIP), the timing and frequency of the award of the grant, the performance target and/or performance conditions to be met prior to offer and vesting of the grant and the vesting period;

(iii) The total number of new shares that may be offered under the LTIP shall be at the discretion of the Nomination and Remuneration Committee;

(iv) In the event of any alteration in the capital structure of the Company except under certain circumstances, the Nomination and Remuneration Committee may make or provide for alterations or adjustments to be made in the number of unvested new shares and/or the method and/or manner in the vesting of the new shares comprised in a grant;

(v) The 2015 Scheme commenced from 31 July 2015, while the 2023 Scheme commenced from 3 July 2023, the effective dates of the implementation of the LTIP. The LTIP shall be in force for a period of 10 years from the implementation date.

(vi) The new shares to be allotted and issued pursuant to the LTIP shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares and the grant holders shall not be entitled to any dividends, rights, allotments, entitlements and/or any other distributions, for which the entitlement date is prior to the date of issue of the shares; and

(vii) The share grants will only be vested to the eligible employees of the Group (including an executive director) who have duly accepted the offer of grants under the LTIP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

- eligible employees of the Group (including an executive director) must remain in employment with the Group and shall not have given notice of resignation or received a notice of termination of service as at the vesting dates or have left the Group before time of vesting except on a “Good Leaver” basis.

31 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

(vii) The share grants will only be vested to the eligible employees of the Group (including an executive director) who have duly accepted the offer of grants under the LTIP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied: (continued)

- eligible employees of the Group (including an executive director) having achieved his/her performance target and/or performance condition as stipulated by the Remuneration Committee and as set out in their offer of grants.

During the financial year, 11,146,700 (2022: 12,758,500) PS Grant under the LTIP were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary share in the Company, to be allotted and issued pursuant to the LTIP ("new shares"), upon meeting the vesting conditions as set out in the letter of offer for the new shares. The vesting conditions comprising, amongst others, the performance targets and/or conditions for the period commencing from 1 January 2023 and ending on 31 December 2025, as stipulated by the Nomination and Remuneration Committee. The vesting date is on 30 June 2026, subject to meeting such performance targets.

Movement in the number of PS Grant under the LTIP is as follows:

		Number of share grants over ordinary shares in the Company ('million)				
Grant date	**Vesting date**	**Outstanding as at 1 January**	**Granted**	**Vested**	**Forfeited**	**Outstanding as at 31 December**
2023						
7 September 2020	30 June 2023	**8**	**-**	**(2)**	**(6)**	**-**
9 September 2021	30 June 2024	**9**	**-**	**-**	**(*)**	**9**
6 September 2022	30 June 2025	**13**	**-**	**-**	**(1)**	**12**
26 September 2023	30 June 2026	**-**	**11**	**-**	**-**	**11**
		30	**11**	**(2)**	**(7)**	**32**
2022						
16 December 2019	30 June 2022	6	-	(4)	(2)	-
7 September 2020	30 June 2023	8	-	-	(*)	8
9 September 2021	30 June 2024	10	-	-	(1)	9
6 September 2022	30 June 2025	-	13	-	(*)	13
		24	13	(4)	(3)	30

* Less than 1 million.

The weighted average fair value of share grants under the PS Grant based on observable market price was RM3.42 (2022: RM3.75).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

31 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

Value of employee services received under the LTIP:

	Group		Company	
	2023 RM'million	**2022 RM'million**	**2023 RM'million**	**2022 RM'million**
Share-based payment (reversal)/expense	**(6)**	22	**(6)**	22
Reversal of/(capitalised as) investments in subsidiaries for share-based payments allocated to the employees of the subsidiaries	**-**	-	**6**	(22)
Total expense recognised as share-based payments	**(6)**	22	**-**	-

(b) Incentive arrangement

Pursuant to the terms and conditions of the incentive arrangement which forms part of the employment contract which an eligible key management personnel had entered into with the Group, the cash incentives payable to the eligible key management personnel were used to acquire shares of the Company from the open market. During the financial year, 963,300 shares (2022: 1,752,500 shares) of the Company were acquired from the open market and are currently held by CIMB Commerce Trustee Berhad or its nominee. Subject to fulfilment of the vesting conditions and the terms of the incentive arrangement, these shares will vest on the eligible key management personnel on a deferred basis.

Movement in the number of shares under the incentive arrangement was as follows:

	Group	
	2023 'million	**2022 'million**
At 1 January	**4**	3
Acquired	**1**	2
Vested	*****	(1)
Forfeited and disposed	**(1)**	(*)
At 31 December	**4**	4

* Less than 1 million.

The weighted average fair value of shares acquired under the incentive arrangement based on observable market price was RM4.17 (2022: RM3.80).

The value of employee services received under the incentive arrangement includes a reversal of share-based payment of RM3 million and an additional share-based payment expense of RM0.2 million (2022: RM10 million).

32 RESERVES

(a) Merger relief

The merger relief was created prior to the listing and quotation exercise of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad in financial year 2009 ("Listing") during the Pre-Listing Restructuring exercise. 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 reserve arising from reverse acquisition was created during the Pre-Listing Restructuring exercise where MMSSB was identified as the accounting acquirer in accordance to MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of 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.

(c) Other reserves

Group	Share-based payments RM'million	Cash flow hedging RM'million	Total RM'million
2023			
At 1 January	**77**	**(5)**	**72**
Net change in hedging:			
- fair value loss	**-**	**(2)**	**(2)**
- reclassified to profit or loss	**-**	**4**	**4**
LTIP:			
- reversal of share-based payment expense	**(6)**	**-**	**(6)**
- shares issued	**(8)**	**-**	**(8)**
Incentive arrangement:			
- reversal of share-based payment expense	**(3)**	**-**	**(3)**
- shares disposed	**4**	**-**	**4**
- shares acquired	**(4)**	**-**	**(4)**
At 31 December	**60**	**(3)**	**57**
2022			
At 1 January	72	(8)	64
Net change in hedging:			
- fair value loss	-	(5)	(5)
- reclassified to finance costs	-	8	8
LTIP:			
- share-based payment expense	22	-	22
- shares issued	(21)	-	(21)
Incentive arrangement:			
- share-based payment expense	10	-	10
- shares acquired	(7)	-	(7)
- shares disposed	1	-	1
At 31 December	77	(5)	72

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

32 RESERVES (CONTINUED)

(c) Other reserves (continued)

	Company	
	2023 **RM'million**	**2022** **RM'million**
Share-based payments		
At 1 January	**87**	86
LTIP:		
- share-based payment (reversal)/expense	**(6)**	22
- shares issued	**(8)**	(21)
At 31 December	**73**	87

The share-based payments reserve as at financial year end comprised of:
(a) discount on shares issued to retail investors in relation to the Listing;
(b) fair value of share grants less any shares issued under the LTIP; and
(c) fair value of shares less any shares acquired under the incentive arrangement.

The cash flow hedging reserve represents the deferred fair value gain/(loss) relating to derivative financial instruments used to hedge certain foreign currency transactions of the Group.

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 uses derivative financial instruments to hedge designated risk exposures of the underlying hedge items and does not enter into derivative financial instruments for speculative purposes.

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 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.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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. There is no currency risk in respect of intragroup receivables and payables since they are all denominated in the functional currency.

	Currency exposure at 31 December				
Group	**SGD RM'million**	**USD RM'million**	**SDR[1] RM'million**	**HKD RM'million**	**Others RM'million**
In functional currency Ringgit Malaysia					
2023					
Receivables and deposits	*	**3**	**15**	-	-
Deposits, cash and bank balances	*	**11**	-	-	*
Payables	**(5)**	**(53)**	**(12)**	**(12)**	**(1)**
Amounts due to related parties, net	-	**(2)**	**(1)**	-	-
Gross exposure	**(5)**	**(41)**	**2**	**(12)**	**(1)**
Forward foreign exchange contracts:					
- payables	-	**36**	-	-	-
Net exposure	**(5)**	**(5)**	**2**	**(12)**	**(1)**
2022					
Receivables and deposits	*	3	13	-	*
Deposits, cash and bank balances	*	15	-	*	-
Payables	(8)	(99)	(9)	(11)	(4)
Amounts due to related parties, net	-	(6)	(*)	-	-
Gross exposure	(8)	(87)	4	(11)	(4)
Forward foreign exchange contracts:					
- payables	8	69	-	11	-
Net exposure	(*)	(18)	4	(*)	4

Notes:
[1] SDR, i.e. Special Drawing Rights represents international accounting settlement rate with international carriers.
* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The sensitivity of the Group's profit before tax for the financial year and equity to a reasonably possible change in the USD exchange rate against the 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 financial year		Impact on equity[1]	
Group	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
USD/RM				
- strengthened 5% (2022: 5%)	**(*)**	(1)	**6**	5
- weakened 5% (2022: 5%)	*	1	**(6)**	(5)

Notes:
[1] Represents cash flow hedging reserve
* Less than RM1 million

The impacts on profit before tax for the financial year are mainly as a result of foreign currency gains/losses on translating of USD denominated receivables, deposits, bank balances and unhedged payables. For USD payables in a designated hedging relationship, as these are effectively hedged, the foreign currency movements will not have any impact on the statement of profit or loss.

(ii) Interest rate risk

The Group's interest rate risk arises from deposits with licensed banks, trade payables under supplier financing and borrowings carrying fixed and variable interest rates and for the Company, from its deposits with licensed banks and intercompany loans. The objectives of the Group's interest rate risk management policies are to allow the Group to effectively manage the interest rate fluctuation through the use of fixed and floating interest rates debt and derivative financial instruments. The Group adopts a non-speculative stance which favours predictability over interest rate fluctuations. The interest rate profiles of the Group's borrowings are also regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

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 and their respective settlement periods are as follows:

Group	Weighted average effective interest/ profit rate at reporting date (per annum) %	Total carrying amount RM'million	Floating interest/ profit rate RM'million	Fixed interest/profit rate < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2023							
Deposits with licensed banks	3.59	311	-	311	-	-	-
Trade payables under supplier financing	4.33	(1,193)	-	(694)	(413)	(86)	-
Other payables	4.65	(28)	-	(28)	-	-	-
Lease liabilities	4.91	(1,969)	-	(288)	(255)	(561)	(865)
Term loans	4.22	(595)	(595)	-	-	-	-
Islamic Medium Term Notes	4.14	(6,206)	-	(66)	(840)	(3,100)	(2,200)
CMTF	4.21	(501)	(501)	-	-	-	-
Business Financing-i	4.35	(500)	(500)	-	-	-	-
Exposure		(10,681)	(1,596)				

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

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 and their respective settlement periods are as follows: (continued)

Group	Weighted average effective interest/ profit rate at reporting date (per annum) %	Total carrying amount RM'million	Floating interest/ profit rate RM'million	Fixed interest/profit rate < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2022							
Deposits with licensed banks	3.45	409	-	409	-	-	-
Trade payables under supplier financing	3.68	(832)	-	(477)	(295)	(60)	-
Other payables	4.35	(102)	-	(72)	(30)	-	-
Lease liabilities	4.39	(2,038)	-	(283)	(260)	(599)	(896)
Term loans	3.83	(594)	(594)	-	-	-	-
Islamic Medium Term Notes	4.07	(4,789)	-	-	-	(2,704)	(2,085)
CMTF	3.96	(1,944)	(1,944)	-	-	-	-
Business Financing-i	3.94	(500)	(500)	-	-	-	-
Exposure		(10,390)	(3,038)				

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 and their respective settlement periods are as follows: (continued)

Company	Weighted average effective interest rate at reporting date (per annum) %	Total carrying amount RM'million	Fixed interest rate < 1 year RM'million
At 31 December 2023			
Loans due from a subsidiary	**4.50**	**343**	**343**
Deposits with licensed banks	**3.35**	**12**	**12**
		355	
At 31 December 2022			
Loans due from a subsidiary	4.33	309	309
Deposits with licensed banks	3.60	30	30
		339	

The sensitivity of the Group's profit before tax for the financial year and equity to a reasonably possible change in RM (2022: RM) interest rates with all other factors held constant and based on composition of liabilities with floating interest rates as at the reporting date are as follows:

Group	Impact on profit before tax for the financial year 2023 RM'million	2022 RM'million
RM		
- increased by 0.5% (2022: 0.5%)	**(8)**	(15)
- decreased by 0.5% (2022: 0.5%)	**8**	15

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The impact on profit before tax for the financial year is mainly as a result of interest expenses on floating rate borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship in the previous financial year, as these were effectively hedged, the interest rate movements will not have any impact on the statement of profit or loss.

(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, contract assets and derivative financial instruments. 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 counterparties.

<u>Trade receivables, finance lease receivables and contract assets</u>

Credit risk of receivables and contract assets 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. Receivables and contract assets are monitored on an ongoing basis via the Group's management reporting and dunning procedures.

Concentration of credit risk

The Group has no significant exposure to any individual customer, geographical location or industry category. Significant credit and recovery risks associated with receivables and contract assets have been provided for in the financial statements.

Impairment of trade receivables, finance lease receivables and contract assets

The Group applies a simplified approach in calculating ECLs. To measure the ECL, receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on 5-year historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and contract assets. Some of the factors which the Group has identified include unemployment rate, Consumer Price Index ("CPI") and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

On that basis, the loss allowance was determined as follows for trade receivables, finance lease receivables and contract assets:

Group	Current RM'million	1 to 30 days past due RM'million	31 to 60 days past due RM'million	61 to 90 days past due RM'million	91 to 120 days past due RM'million	> 120 days past due RM'million	Total RM'million
31 December 2023							
Expected loss rate[1]	0.8% - 11.1%	7.0% - 57.4%	20.1% - 85.0%	38.5% - 100%	53.4% - 100%	76.5% - 100%	
Gross carrying amount:							
Trade receivables	1,644	69	42	34	30	174	1,993
Finance lease receivables	*	-	-	-	-	-	*
Contract assets	303	-	-	-	-	-	303
	1,947	69	42	34	30	174	2,296
Loss allowance:							
Trade receivables	(23)	(22)	(18)	(24)	(21)	(168)	(276)
Finance lease receivables	(*)	-	-	-	-	-	(*)
Contract assets	(15)	-	-	-	-	-	(15)
	(38)	(22)	(18)	(24)	(21)	(168)	(291)

Notes:

[1] The expected loss rate comprises of customers with different risk profiles and excludes individual specific loss rate.

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

Group	Current RM'million	1 to 30 days past due RM'million	31 to 60 days past due RM'million	61 to 90 days past due RM'million	91 to 120 days past due RM'million	> 120 days past due RM'million	Total RM'million
31 December 2022							
Expected loss rate[1]	0.5% - 12.0%	3.0% - 52.6%	11.0% - 81.1%	22.0% - 100%	38.8% - 100%	62.1% - 100%	
Gross carrying amount:							
Trade receivables	1,348	64	37	22	19	72	1,562
Finance lease receivables	1	-	-	-	-	-	1
Contract assets	240	-	-	-	-	-	240
	1,589	64	37	22	19	72	1,803
Loss allowance:							
Trade receivables	(33)	(14)	(13)	(12)	(13)	(63)	(148)
Finance lease receivables	(*)	-	-	-	-	-	(*)
Contract assets	(8)	-	-	-	-	-	(8)
	(41)	(14)	(13)	(12)	(13)	(63)	(156)

Notes:

[1] The expected loss rate comprises of customers with different risk profiles and excludes individual specific loss rate.

* Less than RM1 million.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

Movement on the Group's loss allowances for receivables and contract assets is as follows:

		Trade receivables		Finance lease receivables		Contract assets		Total	
Group	Notes	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
1 January		**148**	106	*****	*	**8**	8	**156**	114
Charged to statement of profit or loss	11	**215**	158	*****	*	**8**	3	**223**	161
Reversed from statement of profit or loss	11	**(47)**	(8)	**(*)**	(*)	**(1)**	(3)	**(48)**	(11)
Amount written off		**(40)**	(108)	**-**	-	**-**	-	**(40)**	(108)
31 December		**276**	148	*****	*	**15**	8	**291**	156

* Less than RM1 million.

Deposits, cash and bank balances

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.

While deposits, cash and bank balances are also subject to the impairment requirements, the identified impairment loss was immaterial.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables, deposits and amounts due from related parties. The movement on Group's loss allowances for other financial assets at amortised cost is as follows:

		Group	
		2023 RM'million	2022 RM'million
(i) Other receivables and deposits			
1 January		**40**	36
Charged to statement of profit or loss	11	**18**	20
Reversed from statement of profit or loss	11	**(20)**	(16)
Amount written off		**(*)**	-
31 December		**38**	40

* Less than RM1 million

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other financial assets at amortised cost (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

		Group	
		2023 RM'million	**2022 RM'million**
(ii) Amounts due from related parties			
1 January		**7**	5
Charged to statement of profit or loss	11	**5**	2
31 December		**12**	7

* *Less than RM1 million.*

Derivative financial instruments

The Group enters into the contracts with various reputable counterparties to minimise the credit risks. The Group considers the risk of material loss in the event of non-performance by the above parties to be unlikely. The Group's maximum exposure to credit risk is equal to the carrying value of those financial instruments.

(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 and financing needs as and when they fall due, availability of funding via credit lines, whilst meeting external debt 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 may be difficulty in raising funds to meet such financial commitments.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

As at 31 December 2023, the Group has RM3.9 billion that is available for issuance under the Unrated Sukuk Murabahah Programme, as disclosed in Note 30 to the financial statements, and available credit facilities of RM0.5 billion. The Group is able to issue new Sukuk and/or drawdown the available credit facilities to finance its capital expenditure, working capital and/or other funding requirements. There is no restriction under the terms of the Unrated Sukuk Murabahah Programme and the available credit facilities for such intended purposes.

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

Group	Total[1] RM'million	< 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2023					
Payables and accruals[1] [2]	**3,500**	**2,988**	**425**	**87**	**-**
Amounts due to related parties	**11**	**11**	**-**	**-**	**-**
Lease liabilities[2]	**2,512**	**375**	**330**	**723**	**1,084**
Borrowings[2]	**9,051**	**807**	**1,118**	**4,747**	**2,379**
	15,074	**4,181**	**1,873**	**5,557**	**3,463**
At 31 December 2022					
Payables and accruals[1] [2]	3,800	3,404	335	61	-
Amounts due to related parties	32	32	-	-	-
Lease liabilities[2]	2,586	372	337	764	1,113
Borrowings[2]	9,020	309	2,201	4,295	2,215
	15,438	4,117	2,873	5,120	3,328

Notes:

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

(2) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 RM'million	< 1 year RM'million
At 31 December 2023		
Payables and accruals	**1**	**1**
Amount due to a subsidiary	*	*
	1	**1**
At 31 December 2022		
Payables and accruals	1	1
Amount due to a subsidiary	*	*
	1	1

* Less than RM1 million.

(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 optimise its capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, increase or reduce its long-term borrowings, issue new shares or return capital to shareholders.

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

External lenders require the borrower, MBSB, to maintain financial covenant ratios on its net debt to EBITDA and EBITDA to interest expense. These financial covenant ratios have been fully complied with by MBSB for the financial year ended 31 December 2023.

The Group also monitors its capital structure which comprises borrowings and equity on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity attributable to equity holders of the Company. Net debt is calculated as total interest bearing financial liabilities comprising the sum of borrowings and derivative financial instruments designated in hedging relationship on borrowings on a net basis (if any) but excluding trade payables under supplier financing as disclosed in Note 28 to the financial statements less deposits, cash and bank balances. Total equity is calculated as 'equity' as shown in the statements of financial position. The gearing ratios at reporting dates were as follows:

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

	Note	Group 2023 RM'million	Group 2022 RM'million (Restated)
Total interest bearing financial liabilities		**9,772**	9,865
Less: Deposits, cash and bank balances	26	**(569)**	(628)
Net debt		**9,203**	9,237
Total equity attributable to equity holders of the Company		**5,743**	6,089
Gearing ratio		**1.6**	1.5

(e) Fair value estimation

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial instruments carried at amortised cost

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

		Group			
		2023		2022	
	Note	Carrying amount RM'million	Fair value RM'million	Carrying amount RM'million	Fair value RM'million
Financial liability:					
Borrowings					
- Islamic Medium Term Notes	30	**6,206**	**6,215**	4,789	4,834

The valuation technique used to derive the Level 3 disclosure for financial liability is based on the estimated cash flow and discount rate of the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(ii) Financial instruments carried at fair value through profit or loss

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

		Group	
	Note	2023 RM'million	2022 RM'million
Derivative financial instruments:			
- Assets	22	**-**	*
- Liabilities	22	**(3)**	(6)
		(3)	(6)

* Less than RM1 million.

The fair values of forward foreign exchange contracts are determined using forward exchange rates as at each reporting date.

The following table represents the financial liabilities measured at fair value, using Level 3 valuation technique, at reporting date:

	Group	
	2023 RM'million	2022 RM'million
At 1 January	**20**	22
Additions	**18**	3
Payments	**(13)**	(5)
Accretion of finance cost	*****	*
At 31 December	**25**	20

* Less than RM1 million.

The fair value of financial liabilities is calculated based on the estimated cash flow discounted at the incremental borrowing rate.

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(iii) Financial instruments carried at FVOCI

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group and Company have elected at initial recognition to recognise in this category. The Group and Company hold investments that are unlisted securities, and measured at fair value, using Level 3 valuation technique, at reporting date:

		Group		Company	
	Note	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Financial assets at FVOCI	20	**4**	4	**4**	4

The valuation technique used to derive the Level 3 disclosure for financial asset is based on the estimated cash flow and discount rate of the underlying counterparty.

(f) Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements.

Group	Gross amounts of recognised financial assets RM'million	Gross amounts of recognised financial liabilities set-off in the statement of financial position RM'million	Net amounts of financial assets presented in the statement of financial position RM'million	Related amounts not off-set in the statement of financial position		Net amount RM'million
				Financial instruments RM'millio	Cash collateral received RM'million	
At 31 December 2023						
Receivables and deposits	**726**	**(77)**	**649**	**-**	**(34)**	**615**
Amounts due from related parties	**20**	**(5)**	**15**	**-**	**-**	**15**
	746	**(82)**	**664**	**-**	**(34)**	**630**
At 31 December 2022						
Receivables and deposits	446	(77)	369	-	(25)	344
Amounts due from related parties	25	(9)	16	-	-	16
	471	(86)	385	-	(25)	360

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

33 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities (continued)

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar arrangements.

Group	Gross amounts of recognised financial liabilities RM'million	Gross amounts of recognised financial assets set-off in the statement of financial position RM'million	Net amounts of financial liabilities presented in the statement of financial position RM'million	Related amounts not off-set in the statement of financial position: Financial instruments RM'millio	Related amounts not off-set in the statement of financial position: Cash collateral received RM'million	Net amount RM'million
At 31 December 2023						
Payables and accruals	**274**	**(77)**	**197**	**(34)**	**-**	**163**
Amounts due to related parties	**16**	**(5)**	**11**	**-**	**-**	**11**
	290	**(82)**	**208**	**(34)**	**-**	**174**
At 31 December 2022						
Payables and accruals	223	(77)	146	(25)	-	121
Amounts due to related parties	41	(9)	32	-	-	32
	264	(86)	178	(25)	-	153

34 CAPITAL COMMITMENTS

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

	Group 2023 RM'million	Group 2022 RM'million
Property, plant and equipment	**478**	488

35 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.

	Transaction value		**Balance outstanding**		**Commitments**		**Total balance outstanding, including commitments**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Group	**RM'million**	**RM'million**	**RM'million**	**RM'million**	**RM'million**	**RM'million**	**RM'million**	**RM'million**
Sales of goods and services:								
- MEASAT Broadcast Network Systems Sdn. Bhd.[1] (mobile and internet, business solutions, connectivity services to co-market and distribute content products)	**125**	150	**14**	9	**-**	-	**14**	9
- Saudi Telecom Company[2] (roaming and international calls)	**7**	7	**4**	1	**-**	-	**4**	1
- Astro Digital 5 Sdn. Bhd.[1] (mobile and internet, business solutions and other connectivity services)	**1**	1	*****	-	**-**	-	*****	-
- MEASAT Global Berhad Group[3] (mobile and internet, business solutions and other connectivity services)	**2**	-	**-**	-	**-**	-	**-**	-
- Maxis Communications Berhad[4] (corporate support services)	**1**	1	*****	*	**-**	-	*****	*
- TGV Cinemas Sdn. Bhd.[5] (telephony and broadband services)	**5**	4	**4**	4	**-**	-	**4**	4
- UTSB Management Sdn. Bhd.[5] (mobile and internet, business solutions and other connectivity services)	**3**	1	*****	-	**-**	-	*****	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

35 RELATED PARTIES (CONTINUED)

Group	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million	2023 RM'million	2022 RM'million
Purchases of goods and services:								
- MEASAT Broadcast Network Systems Sdn. Bhd.[(1)] (customer acquisition and installation charges)	**11**	18	**-**	-	**-**	-	**-**	-
- Saudi Telecom Company[(2)] (roaming and international calls)	**8**	7	**-**	-	**-**	-	**-**	-
- MEASAT Global Berhad Group[(3)] (transponder and teleport lease rental)	**30**	29	**(3)**	(13)	**(57)**	(21)	**(60)**	(34)
- Tanjong City Centre Property Management Sdn. Bhd.[(5)] (rental, service charge, property service and other utility charges)	**42**	41	**-**	-	**(87)**	(101)	**(87)**	(101)
- UTSB Management Sdn. Bhd.[(5)] (corporate management services)	**18**	29	**-**	(6)	**(9)**	(79)	**(9)**	(85)
- SRG Asia Pacific Sdn. Bhd.[(6)] (call handling and telemarketing services)	**20**	20	**(4)**	(6)	**-**	-	**(4)**	(6)

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

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

(1) Subsidiary of a company which is an associate of UTSB
(2) A major shareholder of BGSM, as described above
(3) Indirect subsidiary of a company in which TAK has a 100% direct equity interest
(4) Subsidiary of BGSM
(5) Subsidiary of UTSB
(6) Subsidiary whereby TAK and/or a person connected to TAK has a deemed equity interest
* Less than RM1 million.

	Company	
	2023 RM'million	**2022 RM'million**
Subscription of preference shares in:		
- MBSB	**-**	310
- AWTSB	**-**	9
Management fees charged by a subsidiary	**3**	3
Payment on behalf of operating expenses for subsidiaries	*****	*

* Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

36 RESTATEMENT OF COMPARATIVES

The Group is required to make annual contributions to the Universal Service Provision Fund ("USP Fund") in accordance with the Communications and Multimedia (USP) Regulations 2002 ("the Regulations"), as the Group is a holder of Network Facilities Provider ("NFP") and Network Service Provider ("NSP") individual licences whose total net revenue derived from the designated services exceeds the minimum revenue threshold stated in the Regulations. The contribution to the USP Fund ("the USP levy") is calculated based on 6% of its weighted net revenue derived from designated services. The contribution is payable to the USP Fund in the following calendar year.

In the current financial year, the timing of recognition for the USP levy liability was changed when the Group reassessed the interpretation of the Regulations. Accordingly, the USP levy liability is recognised when net revenue is derived from designated services during the current financial year. The USP levy liability was previously recognised when the contribution was payable to the USP Fund. Consequently, during the financial year, the Group restated the comparatives to recognise the additional accrual of the USP levy liability.

The impacts of the above restatement of comparatives to the Group's statements of financial position, statements of profit or loss, statements of comprehensive income and statements of cash flows for the prior financial years are follows:

Statements of Financial Position

Group	Note	As previously reported RM'million	Adjustments RM'million	Restated RM'million
At 31 December 2022				
Non-current liabilities				
Deferred tax liabilities	23	**985**	**(89)**	**896**
Total Non-current liabilities		**12,231**	**(89)**	**12,142**
Current liabilities				
Payables and accruals	28	**3,807**	**369**	**4,176**
Total current liabilities		**4,443**	**369**	**4,812**
Net current (liabilities)/assets		**(1,662)**	**(369)**	**(2,031)**
Net assets		**6,371**	**(280)**	**6,091**
Equity				
Reserves[(1)]		**3,784**	**(280)**	**3,504**
Total equity attributable to owners of the Company		**6,369**	**(280)**	**6,089**
Total equity		**6,371**	**(280)**	**6,091**

Note:

(1) The restatement impacts retained earnings within "Reserves".

36 RESTATEMENT OF COMPARATIVES (CONTINUED)

The impacts of the above restatement of comparatives to the Group's statements of financial position, statements of profit or loss, statements of comprehensive income and statements of cash flows for the prior financial years are follows: (continued)

Statements of Financial Position (continued)

Group	Note	As previously reported RM'million	Adjustments RM'million	Restated RM'million
At 1 January 2022				
Non-current liabilities				
Deferred tax liabilities	23	908	(110)	798
Total non-current liabilities		9,972	(110)	9,862
Current liabilities				
Payables and accruals	28	3,527	360	3,887
Total current liabilities		5,746	360	6,106
Net current (liabilities)/assets		(2,896)	(360)	(3,256)
Net assets		6,725	(250)	6,475
Equity				
Reserves[1]		4,161	(250)	3,911
Total equity attributable to owners of the Company		6,725	(250)	6,475
Total equity		6,725	(250)	6,475

Note:
(1) The restatement impacts retained earnings within "Reserves".

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

36 RESTATEMENT OF COMPARATIVES (CONTINUED)

The impacts of the above restatement of comparatives to the Group's statements of financial position, statements of profit or loss, statements of comprehensive income and statements of cash flows for the prior financial years are follows: (continued)

Group	Note	As previously reported RM'million	Adjustments RM'million	Restated RM'million
For the financial year ended 31 December 2022				
Statements of Profit or Loss and Statements of Comprehensive Income				
Traffic, device, commissions and other direct costs		(3,822)	(9)	(3,831)
Profit before tax		1,811	(9)	1,802
Tax expenses	12	(630)	(21)	(651)
Profit for the financial year		1,181	(30)	1,151
Total comprehensive income for the financial year		1,184	(30)	1,154
Attributable to the equity holders of the Company				
- Profit for the financial year		1,182	(30)	1,152
- Total comprehensive income for the financial year		1,185	(30)	1,155
Earnings per share attributable to the equity holders of the Company				
- basic (sen)		15.1	(0.4)	14.7
- diluted (sen)		15.1	(0.4)	14.7
Statements of Cash Flows				
Cash flows from operating activities				
Profit for the financial year		1,181	(30)	1,151
Tax expenses	12	630	21	651
Operating cash flows before working capital changes		4,281	(9)	4,272
Changes in working capital				
Payables		488	9	497
Cash flows from operations		3,678	-	3,678

37 CONTINGENT LIABILITIES

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

38 ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group has acquired the below subsidiaries:

(i) Enterprise Managed Services Sdn. Bhd. (formerly known as Mykris Asia Sdn. Bhd.) ("EMS")

On 14 January 2022, the Group acquired the entire share capital of EMS, a company that provides managed network services and security solutions, to reinforce the Group's capacity and capabilities to support its Enterprise customers. The maximum purchase consideration is RM158 million which comprises a base consideration of up to RM115 million and subsequent payments of up to RM43 million payable over 3 years upon achieving certain financial performance targets.

The details of net assets acquired and net cash outflow on acquisition of EMS is analysed as follows:

	As at date of acquisition RM'million
Purchase consideration comprises:	
Cash paid	107
Contingent consideration	10
	117
Net assets:	
Intangible assets	15
Receivables	8
Property, plant and equipment	2
Deferred tax assets	1
Deferred tax liabilities	(4)
Other net identifiable assets	(5)
Less: impairment of receivables	(2)
Goodwill on acquisition	102

The fair value of the assets and liabilities ensuing from the acquisition had been determined based on fair values assigned to identifiable assets and liabilities on acquisition date. The residual goodwill on acquisition represents the value of assets and earnings that do not form separable assets under MFRS 3 but nevertheless are expected to contribute to the future results of the Group.

Contribution of revenue and expenses to the Group is recognised from the beginning of the financial year in which EMS was acquired. Consequently, EMS' revenue of RM45 million and net profit of RM5 million for the period from 15 January 2022 to 31 December 2022 have been included in the statement of profit or loss of the Group. These results are not significantly different if the acquisition had occurred on 1 January 2022.

(ii) Gurulab Sdn. Bhd. ("GSB")

On 6 May 2022, the Group acquired 59% share capital of GSB, a new Edutech startup for a cash consideration of RM4 million with a RM2 million goodwill recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

38 ACQUISITION OF SUBSIDIARIES (CONTINUED)

In the previous financial year, the Group has acquired the below subsidiaries: (continued)

(iii) ComeBy Sdn. Bhd. ("CSB")

On 30 June 2022, the Group acquired 56% share capital of CSB, a retail solution company for a cash consideration of RM5 million with a RM2 million goodwill recognised.

Contribution of revenue and expenses from the beginning of the financial year in which GSB and CSB were acquired is not significant to the Group.

39 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the year, Maxis Broadband Sdn Bhd, a wholly owned subsidiary of the Company:

(a) executed the Access Agreement with DNB on 14 August 2023 to subscribe to 5G Products and Services provided by DNB on a wholesale basis including the National 5G Wholesale Network Product; and

(b) entered into conditional share subscription agreement ("SSA") on 1 December 2023 with DNB and Minister of Finance, Incorporated ("MOF") to subscribe for equity stake in DNB ("Proposed Investment"). The Proposed Investment involves the subscription of 100,000 new ordinary shares in DNB, at an issue price of RM1 each payable upon satisfaction of (i) conditions precedent stated in SSA; and (ii) prepayment towards products and services to be delivered by DNB pursuant to the Access Agreement signed above amounting to RM233,233,333.

40 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 11 March 2024.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Mokhzani bin Mahathir and Uthaya Kumar A/L K Vivekananda, 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 106 to 206 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 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 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 11 March 2024.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Wong Chui Fen, the officer primarily responsible for the financial management of Maxis Berhad, do solemnly and sincerely declare that the financial statements set out on pages 106 to 206 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.

WONG CHUI FEN
(MIA No. 14844)

Subscribed and solemnly declared by the abovenamed Wong Chui Fen at Kuala Lumpur in Malaysia on 11 March 2024, before me.

COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAXIS (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200901024473 (867573-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Maxis Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information, as set out on pages 106 to 206.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group

Key audit matters	How our audit addressed the key audit matters
Assessment of carrying value of goodwill and telecommunications licences allocated to the converged telecommunications services and solutions cash generating unit *Refer to Note 3(c) - Summary of material accounting policies: Intangible assets, Note 4(a) - Critical accounting estimates and judgements: Impairment assessment of intangible assets - goodwill and Note 16 - Intangible assets* We focused on this area due to the size of the carrying value of goodwill and telecommunications licences, which represented 42.5% of total assets as at 31 December 2023, and the estimation of the recoverable amount which requires significant assumptions and judgements on the future cash flows, terminal growth rate and discount rate applied. Based on the annual impairment test performed, the Directors concluded no impairment is required for goodwill and telecommunications licences allocated to the converged telecommunications services and solutions cash generating unit ("CGU"). The key assumptions and sensitivities are disclosed in Note 16 to the financial statements.	We performed the following audit procedures on the value in-use ("VIU") calculations which were based on pre-tax cash flow projections based on internally approved financial budgets covering a five-year period: • Evaluated the reasonableness of the Director's assessment that the converged telecommunications services and solutions is the CGU which represents the smallest identifiable group of assets that generate independent cash inflows, by understanding the business model of the Group; • Discussed with management on the key assumptions used in the five-year VIU cash flows which include the compounded revenue and earnings before interest, tax, depreciation and amortisation ("EBITDA") annual growth rates and performed the following: - Agreed the five-year VIU cash flows to the financial budgets covering a five-year period from 2024, approved by the Directors for impairment assessment; - Compared the historical forecast for 2023 to actual results to assess the reliability of management's estimates; - Compared the compounded revenue growth rates in the projection periods to historical results and telecommunications industry forecasts; and - Checked the mathematical accuracy of the five-year VIU cash flows. • Agreed the assumption on capital expenditures and operating expenditures to the financial budgets covering a five-year period from 2024 approved by the Directors, discussed with management on the capital expenditures and operating expenditures required to maintain the network performance, and assessed the impact on the VIU cash flows;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAXIS (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200901024473 (867573-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Assessment of carrying value of goodwill and telecommunications licences allocated to the converged telecommunications services and solutions cash generating unit (continued)	We performed the following audit procedures on the value in-use ("VIU") calculations which were based on pre-tax cash flow projections based on internally approved financial budgets covering a five-year period: (continued) • Checked the reasonableness of the discount rate and terminal growth rate with the assistance of our valuation experts by benchmarking to industry reports; and • Checked the sensitivity analysis performed by management on the discount rate and terminal growth rate. Based on the procedures performed above, we did not find any material exceptions to the Directors' conclusion that the goodwill and telecommunications licences allocated to the converged telecommunications services and solutions CGU is not impaired as at 31 December 2023.
Revenue recognition from contracts with customers *Refer to Note 3(t) - Summary of material accounting policies: Income recognition, Note 4(d) - Critical accounting estimates and judgements: Revenue recognition for contracts with customers and Note 6 - Revenue* The Group's revenue from contracts with customers of RM10.0 billion during the financial year ended 31 December 2023 comprised primarily of telecommunications services and solutions revenue, and sales of devices of RM8.4 billion and RM1.6 billion respectively. We focused on this area because there is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of various pricing models for different revenue products to revenue recognition. Revenue processed by billing systems is complex and involves large volumes of data with different products and services sold, and price changes.	We performed the following audit procedures: • Evaluated and tested the IT general controls and key controls on material revenue streams over: - capturing and recording of revenue transactions; - authorisation of rate changes and the input of this information to the billing systems; and - accuracy of calculation of amounts billed to customers; • For material revenue streams, we obtained supporting evidence such as customer contracts, invoices and relevant supporting documents to test the accuracy of revenue recognition on a sampling basis; • Reviewed management's assessment of the identification of separate performance obligations over material customer contracts with bundling arrangements and sighted to the customer contracts on a sampling basis; and • Reviewed management's analysis in determining whether the Group is acting as a principal or an agent in relation to the sale of devices based on the contractual terms and conditions in the contracts with customers and suppliers.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition from contracts with customers (continued) In addition, management exercises judgement in the areas below: • Certain contracts with customers are bundled packages that may include sale of products and telecommunications services and solutions that comprise voice, data and other converged telecommunications services; • Individual products and services are accounted for as separate performance obligations if they are distinct promised goods and services. Judgement is involved in identifying if products and services with the bundled package are distinct as a separate promised products and services; and • Determining whether the Group is acting as a principal or an agent in relation to the sale of devices.	Based on the procedures performed above, we did not find any material exceptions in the revenue recognised during the financial year.
Assessment of funding requirements and ability to meet the short term obligations *Refer to Note 33(c) - Financial Risk Management: Liquidity Risk* As at 31 December 2023, the Group had short term payables and accruals of RM4.13 billion and short term borrowings of RM0.86 billion. We focused on the Group's funding and ability to meet its short term obligations due to the significant amount of the short term liabilities, which resulted in the current liabilities of the Group exceeding current assets by RM2.38 billion at that date. The Group's ability to obtain funding from existing facilities is disclosed in Note 33 (c) to the financial statements.	We performed the following audit procedures: • Checked the extent of debt that the Group can raise from its existing facilities; • Reviewed management's assessment of compliance with debt covenants; • Checked the borrowing repayment profile of the Group against the debt agreements; • Checked management's cash flow forecasts for the Group over the period of 12 months from the date of the financial statements to the annual budget approved by the Directors and cash flow projections prepared by management which includes operating, investing and financing cash flows; and • Discussed with management on key assumptions used in the cash flow forecasts including cash collection trends, payment profiles and significant transactions that may occur in developing the cash flow forecasts for the Group. Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment that the Group will be able to meet its short term obligations.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAXIS (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200901024473 (867573-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Company

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying value of cost of investment in a subsidiary *Refer to Note 3(f) - Summary of material accounting policies: Impairment of non-financial assets, Note 4(a) - Critical accounting estimates and judgements - Company: Investments in subsidiaries and Note 18 (a) - Investments in subsidiaries* As at 31 December 2023, the carrying value of the cost of investment in a subsidiary is RM25.1 billion. The Group performed an impairment assessment of the cost of investment in a subsidiary during the financial year as there is indicator of impairment of this subsidiary. The recoverable amount of the subsidiary was determined by the Directors based on VIU method. Based on the Directors' assessment, the recoverable amount of the subsidiary exceeds the carrying value of the investment in the subsidiary and therefore no impairment is required. We focused on this area due to the estimation of the recoverable amounts which is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rates and discount rate applied.	We performed the following audit procedures on the VIU calculations which were based on pre-tax cash flow projections based on internally approved financial budgets covering a five-year period: • Discussed with management on the key assumptions used in the five-year VIU cash flows which include the compounded revenue and EBITDA annual growth rates and performed the following: - Agreed the five-year VIU cash flows to the financial budgets covering a five-year period from 2024 approved by the Directors for impairment assessment; - Compared the historical forecast for 2023 to actual results to assess the reliability of management's estimates; - Compared the compounded revenue growth rates in the projection periods to historical results and telecommunications industry forecasts; and - Checked the mathematical accuracy of the five-year VIU cash flows. • Checked that the VIU cash flows used to determine the recoverable amount have been appropriately adjusted for the financing cash flows forecast of the subsidiary; • Agreed the assumption on capital expenditures and operating expenditures to the financial budgets covering a five-year period from 2024 approved by the Directors, discussed with management on the capital expenditures and operating expenditures required to maintain the network performance, and assessed the impact on the VIU cash flows; • Checked the reasonableness of the discount rate and terminal growth rate with the assistance of our valuation experts by benchmarking to industry reports; and • Checked the sensitivity analysis performed by management on the discount rate and terminal growth rate. Based on the procedures performed above, we did not find any material exception to the Directors' assessment that the cost of investment in a subsidiary is not impaired as at 31 December 2023.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement of Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the 2023 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAXIS (INCORPORATED IN MALAYSIA)
REGISTRATION NO. 200901024473 (867573-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 18 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TAN CHIN YEE
03380/06/2024 J
Chartered Accountant

Kuala Lumpur
11 March 2024

SIZE OF SHAREHOLDINGS
AS AT 11 MARCH 2024

SHARE CAPITAL

Issued	:	7,832,077,110 Ordinary Shares
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	931	2.35	7,845	#
100 - 1,000	19,546	49.30	17,039,309	0.22
1,001 - 10,000	15,765	39.76	62,012,080	0.79
10,001 - 100,000	2,739	6.91	78,001,413	1.00
100,001 - 391,603,855(*)	661	1.67	1,578,496,402	20.15
391,603,856 and above(**)	3	0.01	6,096,520,061	77.84
Total	**39,645**	**100.00**	**7,832,077,110**	**100.00**

* Less than 5% of issued shares
** 5% and above of issued shares

Note:
Information in the above table is based on the Record of Depositors dated 11 March 2024.

CATEGORY OF SHAREHOLDERS
AS AT 11 MARCH 2024

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	33,610	84.78	147,419,615	1.88
Bank/Finance Companies	37	0.10	982,846,760	12.55
Investment Trusts/Foundation/Charities	9	0.02	169,000	#
Industrial and Commercial Companies	310	0.78	4,886,780,310	62.40
Government Agencies/Institutions	4	0.01	6,550,300	0.08
Nominees	5,674	14.31	1,808,311,123	23.09
Others	1	#	2	#
Total	**39,645**	**100.00**	**7,832,077,110**	**100.00**

[#] Negligible

Note:
Information in the above table is based on the Record of Depositors dated 11 March 2024.

DIRECTORS' INTEREST IN SHARES
AS AT 11 MARCH 2024

Based on the Register of Directors' Shareholdings, the interests of the Directors in the shares of the Company (both direct and indirect) as at 11 March 2024 are as follows:

	Number of Shares		% of Issued Shares	
Name	**Direct**	**Indirect**	**Direct**	**Indirect**
Tan Sri Mokhzani bin Mahathir	750,000	1,000[(1)]	0.01	#
Dato' Hamidah Naziadin	-	-	-	-
Alvin Michael Hew Thai Kheam	-	-	-	-
Uthaya Kumar A/L K Vivekananda	-	-	-	-
Ooi Huey Tyng	-	-	-	-
Ong Chu Jin Adrian	-	-	-	-
Mazen Ahmed M. AlJubeir	-	-	-	-
Mohammed Abdullah K. Alharbi	-	-	-	-
Abdulaziz Abdullah M. Alghamdi	-	-	-	-
Lim Ghee Keong	-	-	-	-

Notes:

\# Negligible

(1) Deemed interest in shares of the Company held by spouse pursuant to Section 59(11)(c) of the CA 2016.

CHIEF EXECUTIVE OFFICER'S INTERESTS IN SHARES
AS AT 11 MARCH 2024

The interests of the Chief Executive Officer in the shares of the Company (both direct and indirect) as at 11 March 2024 are as follows:

	Number of Shares		% of Issued Shares	
Name	**Direct**	**Indirect**	**Direct**	**Indirect**
Goh Seow Eng	-	6,200[(1)]	-	#
	-	963,300[(2)]	-	0.01

Notes:

\# Negligible

(1) Deemed interest in shares of the Company held by spouse pursuant to Section 59(11)(c) of the CA 2016.

(2) Pursuant to the terms and conditions of an incentive arrangement arising under the employment agreement entered by him and Maxis Broadband Sdn. Bhd., a wholly-owned subsidiary of Maxis (Agreement), a cash incentive was used to acquire shares of the Company from the open market and such shares are currently held by CIMB Commerce Trustee Berhad (CIMB) or its nominee. Hence, these shares were acquired and are currently held by CIMB. These shares shall, subject to the satisfaction of the vesting conditions and the terms and conditions of the Agreement, vest in him on 30 June 2026. The vesting conditions comprise, amongst others, the performance targets for the financial years 2023, 2024 and 2025 as stipulated by Maxis' Nomination and Remuneration Committee.

30 LARGEST SHAREHOLDERS
AS AT 11 MARCH 2024

No	Name	No. of Shares Held	%
1	BGSM Equity Holdings Sdn Bhd	4,875,000,000	62.24
2	Amanahraya Trustees Berhad Amanah Saham Bumiputera	629,448,400	8.04
3	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	592,071,661	7.56
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	262,350,506	3.35
5	Kumpulan Wang Persaraan (Diperbadankan)	108,338,085	1.38
6	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn. Bhd. (1)	84,949,572	1.09
7	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	60,783,300	0.78
8	Cartaban Nominees (Asing) Sdn Bhd Exempt AN For State Street Bank & Trust Company (West CLT OD67)	44,145,980	0.56
9	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	42,363,000	0.54
10	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Total International Stock Index Fund	39,757,561	0.51
11	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	38,150,160	0.49
12	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	33,614,700	0.43
13	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)	28,413,400	0.36
14	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Fund	25,420,000	0.33
15	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	23,919,375	0.31
16	Amanahraya Trustees Berhad Amanah Saham Malaysia	19,989,800	0.26
17	Citigroup Nominees (Asing) Sdn Bhd CB Spore GW For Government Of Singapore (GIC C)	19,918,866	0.25

No	Name	No. of Shares Held	%
18	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	19,845,400	0.25
19	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	19,580,000	0.25
20	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	18,747,100	0.24
21	Permodalan Nasional Berhad	17,260,500	0.22
22	Cartaban Nominees (Asing) Sdn Bhd BNYM SA/NV For People's Bank Of China (SICL Asia EM)	16,665,000	0.21
23	Cartaban Nominees (Asing) Sdn Bhd State Street London Fund OQ78 For Ishares IV Public Limited Company	15,714,300	0.20
24	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)	15,584,600	0.20
25	Amanahraya Trustees Berhad Public Islamic Dividend Fund	15,238,600	0.20
26	Cartaban Nominees (Tempatan) Sdn Bhd PBTB For Takafulink Dana Ekuiti	12,806,600	0.16
27	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad For Prulink Strategic Fund	12,046,000	0.15
28	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	11,420,700	0.15
29	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Blackrock Institutional Trust Company, N.A. Investment Funds For Employee Benefit Trusts	10,033,347	0.13
30	HSBC Nominees (Asing) Sdn Bhd Exempt AN For The Hongkong And Shanghai Banking Corporation Limited (Global Markets)	8,948,885	0.11

Note:
Information in the above table is based on the Record of Depositors dated 11 March 2024.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

The shareholders holding more than 5% interest, direct and indirect, in the ordinary shares in Maxis (Shares) based on the Register of Substantial Shareholders of the Company as at 11 March 2024 are as follows:

	Direct		Indirect	
Name of Substantial Shareholder	No. of Shares Held	%	No. of Shares Held	%
BGSM Equity Holdings Sdn. Bhd. (BGSM Equity)	4,875,000,000	62.24	-	-
BGSM Management Sdn. Bhd. (BGSM Management)[1]	-	-	4,875,000,000	62.24
Binariang GSM Sdn. Bhd. (BGSM)[2]	-	-	4,875,000,000	62.24
Usaha Tegas Equity Sdn. Bhd. (UTE)[3]	-	-	4,875,000,000	62.24
Usaha Tegas Sdn. Bhd. (Usaha Tegas)[4]	-	-	4,875,000,000	62.24
Pacific States Investment Limited (PSIL)[5]	-	-	4,875,000,000	62.24
Excorp Holdings N.V. (Excorp)[6]	-	-	4,875,000,000	62.24
PanOcean Management Limited (PanOcean)[6]	-	-	4,875,000,000	62.24
Ananda Krishnan Tatparanandam (TAK)[7]	-	-	4,875,000,000	62.24
Harapan Nusantara Sdn. Bhd. (Harapan Nusantara)[8]	-	-	4,875,000,000	62.24
Tun Haji Mohammed Hanif bin Omar[9]	-	-	4,875,000,000	62.24
Dato' Haji Badri bin Haji Masri[9]	-	-	4,875,000,000	62.24
Mohamad Shahrin bin Merican[9]	11,000	#	4,875,000,000	62.24
STC Malaysia Holding Ltd (STCM)[10]	-	-	4,875,000,000	62.24
STC Asia Telecom Holding Ltd (STCAT)[11]	-	-	4,875,000,000	62.24
Saudi Telecom Company (Saudi Telecom)[12]	-	-	4,875,000,000	62.24
Public Investment Fund (PIF)[13]	-	-	4,875,000,000	62.24
AmanahRaya Trustees Berhad (ARB)				
- Skim Amanah Saham Bumiputera	629,448,400	8.04	-	-
Employees Provident Fund Board (EPF)[14]	859,422,167	10.97	29,177,600	0.37

Notes:

[#] Negligible

[(1)] BGSM Management's deemed interest in the Shares arises by virtue of BGSM Management holding 100% equity interest in BGSM Equity.

[(2)] BGSM's deemed interest in the Shares arises by virtue of BGSM holding 100% equity interest in BGSM Management. See Note (1) above for BGSM Management's deemed interest in the Shares.

[(3)] UTE's deemed interest in the Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn. Bhd., Tegas Puri Sdn. Bhd., Besitang Barat Sdn. Bhd. and Besitang Selatan Sdn. Bhd. which hold in aggregate 37% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares.

[(4)] Usaha Tegas' deemed interest in the Shares arises by virtue of Usaha Tegas holding 100% equity interest in UTE. See Note (3) above for UTE's deemed interest in the Shares.

[(5)] PSIL's deemed interest in the Shares arises by virtue of PSIL holding 99.999% equity interest in Usaha Tegas. See Note (4) above for Usaha Tegas' deemed interest in the Shares.

(6) PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. See Note (5) 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 such Shares, it does not have any economic or beneficial interest in such Shares, as such interest is held subject to the terms of such discretionary trust.

(7) TAK's deemed interest in the Shares arises by virtue of PanOcean's deemed interest in the Shares. See Note (6) 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 in such Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (6) above.

(8) Harapan Nusantara's deemed interest in the Shares arises through its wholly-owned subsidiaries, namely, 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"), which hold in aggregate 30% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares. The Harapan Nusantara Subsidiaries hold their deemed interest in such Shares under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in such Shares as such interest is held subject to the terms of such discretionary trusts.

(9) His deemed interest in the Shares arises by virtue of his 25% direct equity interest in Harapan Nusantara. However, he does not have any economic interest in such Shares as such interest is held subject to the terms of the discretionary trusts referred to in Note (8) above.

(10) STCM's deemed interest in the Shares arises by virtue of STCM holding 25% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares.

(11) STCAT's deemed interest in the Shares arises by virtue of STCAT holding 100% equity interest in STCM. See Note (10) above for STCM's deemed interest in the Shares.

(12) Saudi Telecom's deemed interest in the Shares arises by virtue of Saudi Telecom holding 100% equity interest in STCAT. See Note (11) above for STCAT's deemed interest in the Shares.

(13) PIF's deemed interest in the Shares arises by virtue of PIF holding 70% equity interest in Saudi Telecom. See Note (12) above for Saudi Telecom's deemed interest in the Shares.

(14) EPF is deemed to have an interest in 29,177,600 Shares held through nominees.

LIST OF PROPERTIES HELD

Item	Postal Address	Approx. Age of the 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 Dec 2023 (RM'million)
1	Plot 12155 (Lot 13) Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	28 years	Freehold 9 May, 1994	-	Telecommunication operations centre and office	11,235	10,061	15
2	Lot 4046 & 4059 Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru	31 years	Freehold 21 July, 1994	-	Telecommunication operations centre and office	4,242	4,077	4
3	Lot 2537 & 2538 Lorong Jelawat 6 Kawasan Perusahaan Seberang Jaya 13700 Seberang Jaya Pulau Pinang	27 years	Leasehold 5 January, 1995	50 years (18 August 2073)	Telecommunication operations centre and office	3,661	2,259	5
4	PT 31093, Taman Perindustrian Tago Jalan KL – Sg Buluh Mukim Batu Gombak	26 years	Freehold 2 July, 1996	-	Technical Operations Centre	2,830	3,290	2
5	Lot 943 & 1289 (No. Lot Pemaju – 46) Rawang Integrated Industrial Park Selangor	26 years	Freehold 12 April, 1997	-	Technical Operations Centre	10,611	1,535	3

Item	Postal Address	Approx. Age of the 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 Dec 2023 (RM'million)
6	8101, Taman Desa Jasmin Block 12B, Bandar Baru Nilai Labu Negeri Sembilan	26 years	Freehold 28 December, 1996	-	Technical Operations Centre	2,378	1,736	1
7	Lot 25 Lorong Burung Keleto Inanam Industrial Estate Inanam 88450 Kota Kinabalu Sabah	23 years	Leasehold 11 May, 2000	73 years (31 December, 2096)	Telecommunication operations centre and office	16,149	3,372	7
8	Lot 2323, Off Jalan Daya Pending Industrial Estate Bintawa 93450 Kuching Sarawak	23 years	Leasehold 28 September, 2000	43 years (19 November, 2066)	Telecommunication operations centre and office	10,122	3,382	14
9	Lot 11301 Jalan Lebuhraya Kuala Lumpur – Seremban Batu 8, Mukim Petaling 57000 Kuala Lumpur	24 years	Sub-Lease 9 August 1999	2 years (28 July, 2025)	Telecommunication operations centre and office	11,592	5,634	11
10	No. 26, Jalan Perdagangan 10 Taman Universiti 81300 Skudai Johor	29 years	Freehold 2 March, 1995	-	Base Transceiver Station	2,294	872	1

ADDITIONAL DISCLOSURES

LONG TERM INCENTIVE PLAN (LTIP 2023)

Please refer to the Directors' Report, page 101 and Note 31(a) on pages 178 to 180 of the Audited Financial Statements of this Integrated Annual Report. The Company established and implemented LTIP 2023 for the employees of the Company and its subsidiaries (Maxis Group) (excluding subsidiaries which are dormant) which took effect on 3 July 2023. The number of shares of the Company (Maxis Shares) which have been granted under LTIP 2023 to eligible employees of the Maxis Group (excluding dormant subsidiaries) since the commencement of the scheme are summarised below:

	From 3 July 2023 up to 31 December 2023	
Category of Employees	**Proportion granted (%)**	**Total number of Maxis Shares granted**
Directors	-	-
Senior management*	24	2,730,200
Other employees	76	8,416,500
Total	**100**	**11,146,700**

* Senior management refers to the Maxis Management Team.

Up to a maximum of 100% of the Maxis Shares made available under LTIP 2023 could be allocated to eligible employees who are executive directors and senior management of the Maxis Group.

Note: The Long Term Incentive Plan 2015 (LTIP 2015), a long-term incentive plan involving the issuance of new Maxis Shares to the eligible employees of Maxis Group was established on 31 July 2015. LTIP 2015 is valid for a period of ten (10) years and shall continue to be in force until 31 July 2025. Since the implementation of the LTIP 2015, none of our Directors have been granted and/or vested with any Maxis Shares. As previously disclosed:

(i) our Board does not intend to make any further grants under the LTIP 2015.
(ii) as at 31 December 2023, there are two (2) grants which were already awarded under LTIP 2015 as follows:

Date of offer	Total number of Maxis Shares granted	Vesting period	Vesting date
9 September 2021	10,500,500	34 months	30 June 2024
6 September 2022	12,758,500	34 months	30 June 2025

CONFLICT OF INTEREST DISCLOSURES - This section should be read together with the Notes 1 and 2 below

Uthaya Kumar A/L K Vivekananda (VUK)
VUK is an Independent Director of Sri Lanka Telecom PLC (SLT) and Mobitel (Private) Limited (Mobitel), a wholly owned subsidiary of SLT. They are the national telecommunications service provider in Sri Lanka with their main activity being domestic and international fixed and mobile ICT operations offering, inter alia, internet services, IPTV, wireless broadband, data services, domestic and international leased circuits, frame relay, satellite uplink and maritime transmission. The Maxis Group's principal operations are in Malaysia. While SLT and Mobitel may be carrying out a business which is similar to Maxis' business as an integrated telco, they are operating in different countries. Notwithstanding that, in the event of any conflict of interest or potential conflict of interest, VUK will disclose such interest and recuse himself from Board deliberations and decisions where such conflict may be present.

Mohammed Abdullah K. Alharbi (MAH)
MAH is an employee of Saudi Telecom Company (STC) and a Director of the STC group, based in Riyadh, Kingdom of Saudi Arabia. STC group is engaged in the provision of telecommunication, information, media and digital payments services. It establishes, manages, operates, and maintains fixed and mobile telecommunication networks, systems and infrastructure. STC operates in Saudi Arabia, Kuwait and Bahrain, and has minority investments in Telefonica Spain while STC's interest in Malaysia is held via BGSM Equity Holdings Sdn. Bhd. (the holding company of Maxis), which interest has been disclosed on pages 220 and 221 of the Company's Integrated Annual Report. The Maxis Group's principal operations are in Malaysia. While the STC group may be carrying out a business which is similar to Maxis' business as an integrated telco, they are operating in different countries. Notwithstanding that, in the event of any conflict of interest or potential conflict of interest, MAH will disclose such interest and recuse himself from Board deliberations and decisions where such conflict may be present.

Abdulaziz Abdullah M. Alghamdi (AAG)
AAG is an employee of Saudi Telecom Company (STC) and a Director of the STC group, based in Riyadh, Kingdom of Saudi Arabia. STC group is engaged in the provision of telecommunication, information, media and digital payments services. It establishes, manages, operates, and maintains fixed and mobile telecommunication networks, systems and infrastructure. STC operates in Saudi Arabia, Kuwait and Bahrain, and has minority investments in Telefonica Spain while STC's interest in Malaysia is held via BGSM Equity Holdings Sdn. Bhd. (the holding company of Maxis), which interest has been disclosed on pages 220 and 221 of the Company's Integrated Annual Report. The Maxis Group's principal operations are in Malaysia. While the STC group may be carrying out a business which is similar to Maxis' business as an integrated telco, they are operating in different countries. Notwithstanding that, in the event of any conflict of interest or potential conflict of interest, AAG will disclose such interest and recuse himself from Board deliberations and decisions where such conflict may be present.

Lim Ghee Keong (LGK)
LGK is a Director of Astro Malaysia Holdings Berhad (Astro) as well as a Director and Chief Operating Officer of Usaha Tegas Sdn. Bhd. Astro is Malaysia's leading content and entertainment company providing services via satellite, fixed broadband, digital and FM radio network. Maxis is a leading integrated telco in Malaysia providing a variety of digital services encompassing voice, data and solutions via mobile, fixed and satellite broadband network. LGK has declared his conflict of interest arising from his positions in these companies and has recused and will continue to recuse himself from Board deliberations and decisions relating to these companies where such conflict may be present.

Notes:
1. *Conflicts of interest (COI) involving the Company's directors will be reviewed by the Audit and Risk Committee. Maxis' Policy on Directors' and Key Senior Management's Conflicts of Interest sets out the processes and procedures and the associated mitigating measures for dealing with COI.*
2. *To the extent that the relationships above also give rise to related party transactions, additional disclosures, among other things, relating to such related party transactions will be separately made in accordance with Paragraphs 10.08 and 10.09 of the MMLR.*

COMPLIANCE WITH THE PERSONAL DATA PROTECTION ACT

The Company recognises the importance of protecting and securing the personal data of shareholders, customers, employees and other relevant individuals, and has taken steps to be fully compliant with the Personal Data Protection Act 2010 (PDPA 2010).

PROFILES OF DIRECT REPORTS TO THE BOARD AND/OR AUDIT AND RISK COMMITTEE PURSUANT TO APPLICABLE LAWS

DIPAK KAUR (DIPA)
Company Secretary
LS5204, PC 201908002620
FCIS (CS) (CGP), GAICD

Date of Appointment	: **7 August 2009**
Age	: **54**
Gender	: **Female**
Nationality	: **Malaysian**

Dipa has over 30 years of experience in corporate secretarial and governance matters in various public listed and private companies and is qualified to act as a Company Secretary under Section 235(2) of the CA 2016. As Company Secretary of the Maxis Berhad Group, she provides active governance, technical and advisory support to the Chairman, Directors, the Board, Board Committees and Management.

She holds the following qualifications viz Bachelor of Laws from the University of Leicester, United Kingdom, Certificate of Legal Practice, Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants, United Kingdom, Masters in Law from University Malaya, Graduate of the Institute of Chartered Secretaries and Administrators (now known as the Chartered Governance Institute), Graduate of the Australian Institute of Corporate Directors, and a Certificate in Sustainable Development, University of Sussex, United Kingdom. She is a non-practising Advocate and Solicitor of the High Court of Malaya and a Fellow and Chartered Governance Professional of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She holds the office as an elected Council Member and Vice President of MAICSA, and sits on various MAICSA committees.

SHAFIK AZLEE BIN MASHAR
Head of Internal Assurance

Date of Appointment	: **15 April 2014**
Age	: **48**
Gender	: **Male**
Nationality	: **Malaysian**

Shafik joined Maxis in April 2014 as the Head of Internal Audit, now known as Internal Assurance, responsible for leading the independent Internal Audit function that reports functionally to the Audit and Risk Committee and administratively to the CEO.

He brings over more than 25 years of work experience in various industries spanning telecommunication, IT outsourcing and fast moving consumer goods, in various roles covering telecommunications operations, project management and internal auditing. Prior to joining Maxis, he was the Head of Internal Audit at Robi Axiata Limited, a subsidiary of Axiata Group in Bangladesh. Prior to that, he was with various multi-national and local companies at varying regional and global leadership roles, responsible for operations and audit throughout his career.

He holds a Bachelor of Engineering degree in Information Systems Engineering from Imperial College of Science, Technology & Medicine, London and is a Certified Information Systems Auditor (CISA), certified PRINCE2 Project Management Professional, Certified ScrumMaster (CSM) for Agile and Certified Lead Auditor for ISO 37001:2016 Anti Bribery.

NURIRDZUANA BINTI ISMAIL
Head of Integrity and Governance Unit

Date of Appointment	: **24 August 2020**
Age	: **45**
Gender	: **Female**
Nationality	: **Malaysian**

Nuri has more than 20 years of professional experience in designing and implementing anti-corruption programmes including corruption risk management, international strategy, communications and advising on compliance and governance training. She has led the design and implementation of ISO 37001:2016 Anti-Bribery Management System in various government agencies and organisations.

She currently supports the Board of Directors, Audit and Risk Committee and Management by providing oversight on the design, implementation, compliance, and enforcement of the Maxis Integrity & Compliance Framework (MICF), ISO37001:2016 Anti-Bribery Management System certification, Maxis Anti-Bribery Corruption System (MABC) and AML/CFT initiatives. She collaborates closely with all stakeholders to ensure that Maxis maintains the highest standards of integrity and transparency in its business operations. Prior to joining Maxis, Nuri served as an Assistant Commissioner at the Malaysian Anti-Corruption Commission and has been the Head of Integrity Risk Management for Group Integrity, PETRONAS.

She holds a Bachelor of Science (BSc.) degree in Biomedical Technology from University Malaya and is a Certified Integrity Officer (CeIO) from Malaysia Anti-Corruption Academy (MACA), Certified Trainer from HRDF, Certified Learning Facilitator for Anti-Corruption and Compliance from Basel Institute of Governance, Switzerland, Certified Lead Auditor and Technical Expert for ISO 37001:2016 Anti-Bribery Management System (ABMS).

MATERIAL CONTRACTS

Material contracts of Maxis and its subsidiaries, involving Directors' and Major Shareholders' interests, either still subsisting at the end of financial year 2023 or, if not then subsisting, entered into since the end of financial year 2022.

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.	Transponder Lease Agreement (for MEASAT-3)	19 June 2020	Maxis Broadband Sdn. Bhd. (MBSB)	Leasing of transponders on MEASAT-3 by MBSB for use of satellite bandwidth capacity	Rental fee payable by MBSB to MSS	Cash	MBSB is a wholly-owned subsidiary of the Company. Please see Note 1 on page 227 for further details on the relationship between MBSB and MSS.
	a) Letter for Alternative Transponder Capacity, Extension of the Expiry Date & Compensation	16 February 2022	MEASAT Satellite Systems Sdn. Bhd. (MSS)				
2.	Teleport Services Agreement (Lease rentals of MEASAT earth station facility)	7 December 2017	MBSB MSS	Lease rentals of MSS teleport and earth station facility by MBSB	Service fee payable by MBSB to MSS	Cash	Please see Note 1 on page 227 for further details on the relationship between MBSB and MSS.
3.	Managed Bandwidth Services Agreement	1 July 2011	MBSB MEASAT Broadband (International) Ltd. (MBIL)	Lease of bandwidth capacity on IPSTAR-1 satellite (under the brand name MEASAT-5 or M5) by MBIL	Rental fee payable by MBSB to MBIL	Cash	Please see Note 1 on page 227 for further details on the relationship between MBSB and MBIL.
	(a) Letter of Agreement for Additional Managed Bandwidth Services	11 November 2014					
	(b) Letter of Amendment to limit provision of services to bandwidth capacity on MEASAT-5	5 December 2017					
	(c) Letter for further extension of the Extended Term	16 February 2022					
	(d) Letter for further extension of the Further Extended Term	30 September 2022					
	(e) Letter for Eighth Additional Extended Term	30 June 2023					

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.	Managed Bandwidth Master Services Agreement	30 June 2023	MBSB MEASAT Communication Systems Sdn Bhd (MCS)	Lease of bandwidth capacity on MEASAT-3d satellite by MCS	Rental fee payable by MBSB to MCS	Cash	Please see Note 1 on page 227 for further details on the relationship between MBSB and MCS.
5.	M5 Teleport Services Agreement (a) Letter for Extension of the Service Period (b) Letter for Eighth Further Extension of the Extended Term	1 January 2018 16 February 2022 11 July 2023	MBSB MSS	Lease rentals of MSS teleport and earth station facility by MBSB for IPSTAR-1 satellite (under the brand name MEASAT-5 or M5)	Service fee payable by MBSB to MSS	Cash	Please see Note 1 on page 227 for further details on the relationship between MBSB and MSS.

Notes:

1. MSS, MBIL and MCS are the wholly owned subsidiaries of MEASAT Global Berhad (MGB). Ananda Krishnan Tatparanandam (TAK) who is a Major Shareholder of the Company, is also a major shareholder of MGB. Mohamad Shahrin bin Merican, who is a Major Shareholder of the Company, is also a major shareholder of MGB. Lim Ghee Keong (LGK), who is a Director of the Company and MBSB is also a director of MEASAT Global Network Systems Sdn. Bhd. (MGNS), MGNS is a major shareholder of MGB.

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Fourteenth Annual General Meeting held on 18 May 2023, the Company obtained a mandate from its shareholders (Shareholders' Mandate) for recurrent related party transactions (RRPTs) of a revenue or trading nature.

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the MMLR, such Shareholders' Mandate is subject to annual renewal and the disclosure in the Annual Report of RRPTs conducted pursuant to the mandate during the financial year ended 31 December 2023 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 the relevant 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 and had met the prescribed threshold based on the financial results of the preceding financial year.

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2023 to 17 May 2023 (RM'million)	Value incurred from 18 May 2023 to 31 December 2023 (RM'million)	Aggregate value of transactions during the financial year 2023 (RM'million)
Transactions with Astro Malaysia Holdings Berhad (AMH) Group						
MBSB and/or its affiliates	MBNS and/or its affiliates	Provision of subscription type contents by MBNS and/or its affiliates to MBSB and/or its affiliates to be provided to Maxis subscribers	Please refer to Note 1	-	-	-
MBSB	MBNS and/or its affiliates	Strategic partnership on co-marketing and/or distribution of Astro content product(s) together with Maxis connectivity and/or carrier billing capabilities, either as bundled or standalone propositions				
		(i) Receivable by MBSB and/or its affiliates		47	70	117
		(ii) Payable to MBNS and/or its affiliates		4	7	11
MBSB and/or its affiliates	MBNS and/or its affiliates	Receivables of short code and keyword rentals by MBSB and/or its affiliates for facilitating the end to end transmission of the MBNS Services between MBNS and Maxis subscribers		-	-	-
MBSB	AD5SB	Supply of specialised resources services by MBSB		1	*	1
MBSB	ARSB	Provision of Business Solutions and Managed Services by MBSB		-	*	*
Aggregate Value of Transactions with AMH Group				52	77	129

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2023 to 17 May 2023 (RM'million)	Value incurred from 18 May 2023 to 31 December 2023 (RM'million)	Aggregate value of transactions during the financial year 2023 (RM'million)
Transactions with Usaha Tegas Sdn Bhd (UT) Group						
MBSB and/or its affiliates	UTSBM and/or its affiliates	Engagement of UTSBM and/or its affiliates to provide corporate management services	Please refer to Note 2	11	7	18
MBSB and/or its affiliates	UTSB and/or its affiliates	Rental receivable by MBSB and/or its affiliates for utilising of space/facilities at Maxis Living Room and/or other space at Maxis' premises		-	-	-
MBSB	UTSB	Provision of Information and Communications Technology (ICT) Services by MBSB		*	-	*
MBSB and/or its affiliates	Mobite (Private) Limited (Mobitel)	• Roaming partner revenue to MBSB and/or its affiliates • Roaming partner expenses paid by MBSB and/or its affiliates		* *	* *	* *
MBSB and/or its affiliates	Sri Lanka Telecom PLC (SLT)	• Interconnect revenue to MBSB and/or its affiliates • Interconnect expenses paid by MBSB and/or its affiliates		* *	* *	* *
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental, service charge and/or property service fee/building expenses and other related expenses for Menara Maxis payable by MBSB and/or its affiliates		16	24	40
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental payable by MBSB and/or its affiliates for promotional/event/project space in Menara Maxis		-	-	-
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental receivable by MBSB and/or its affiliates for utilising of space/facilities at Maxis Living Room and/or other spaces at Maxis' premises		-	-	-
MBSB and/or its affiliates	TGV	Purchase of movie tickets, hall bookings and concessions by MBSB and/or its affiliates for Maxis reward and loyalty programmes		*	*	*

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2023 to 17 May 2023 (RM'million)	Value incurred from 18 May 2023 to 31 December 2023 (RM'million)	Aggregate value of transactions during the financial year 2023 (RM'million)
Transactions with Usaha Tegas Sdn Bhd (UT) Group						
MBSB	TGV	Provision of Business Solution Services by MBSB		*	-	*
MBSB	UTSB	Provision of website build services by MBSB		-	*	*
Aggregate Value of Transactions with UT Group				27	31	58

* Less than RM1 million.

Notes:

1. AMH Group

MBNS, AD5SB and ARSB are wholly-owned subsidiaries of Astro Malaysia Holdings Berhad (AMH).

Each of UTSB, PSIL, Excorp, PanOcean and TAK is a Major Shareholder with a deemed interest over 4,875,000,000 Shares representing 62.24% equity interest in Maxis (Shares) by virtue of its deemed interest in Binariang GSM Sdn. Bhd. (BGSM) which holds 100% equity interest in BGSM Management Sdn. Bhd. (BGSM Management). BGSM Management holds 100% equity interest in BGSM Equity Holdings Sdn. Bhd. (BGSM Equity) which in turn holds 62.24% equity interest in Maxis. UTSB's deemed interest in such Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn. Bhd. (WRSB), Tegas Puri Sdn. Bhd. (TPSB), Besitang Barat Sdn. Bhd. (BBSB) and Besitang Selatan Sdn. Bhd. (BSSB), which hold in aggregate 37% equity interest in BGSM.

Each of UTSB, PSIL, Excorp and PanOcean has a deemed interest over 1,249,075,472 ordinary shares (AMH Shares) representing 23.94% equity interest in AMH through the wholly-owned subsidiaries of UTSB, namely, Usaha Tegas Entertainment Systems Sdn. Bhd. and All Asia Media Equities Limited with each holding 235,778,182 AMH Shares and 1,013,297,290 AMH Shares directly representing 4.52% and 19.42% equity interest in AMH respectively.

PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity 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 is also a major shareholder of AMH with a deemed interest over 2,152,868,226 AMH Shares representing 41.25% equity interest in AMH. In addition, TAK is a director of PanOcean, Excorp, PSIL and UTSB. Although TAK and PanOcean are deemed to have an interest in the Shares and AMH Shares as described in the foregoing, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of such discretionary trust referred to the paragraph above.

LGK who is a Director, is also a director in AMH and MBNS. He is also a director of MBSB, PSIL, Excorp, PanOcean and UTSB. LGK has a direct equity interest over 1,000,000 AMH Shares representing 0.02% equity interest in AMH. LGK does not have any equity interest in Maxis, MBSB or AMH subsidiaries.

Each of THO, Dato' Badri and MSM is a Major Shareholder with a deemed interest over 4,875,000,000 Shares representing 62.24% equity interest in Maxis in which Harapan Nusantara Sdn. Bhd. (HNSB) has an interest, by virtue of his 25% direct equity interest in HNSB. HNSB's deemed interest in such Shares arises through its wholly-owned subsidiaries, namely, Mujur Anggun Sdn. Bhd. (MASB), Cabaran Mujur Sdn. Bhd. (CMSB), Anak Samudra Sdn. Bhd. (ASSB), Dumai Maju Sdn. Bhd. (DMSB), Nusantara Makmur Sdn. Bhd. (NMSB), Usaha Kenanga Sdn. Bhd. (UKSB) and Tegas Sari Sdn. Bhd. (TSSB) (collectively, HNSB Subsidiaries), which hold in aggregate 30% equity interest in BGSM. The HNSB Subsidiaries hold their deemed interest in such Shares under discretionary trusts for Bumiputera objects. As such, HNSB, THO, Dato' Badri and MSM do not have any economic interest over such Shares as such interest is held subject to the terms of such discretionary trusts.

Each of THO, Dato' Badri and MSM has a deemed interest over 462,124,447 AMH Shares representing 8.85% equity interest in AMH in which Harapan Terus Sdn. Bhd. (HTSB) has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB's deemed interest in such AMH Shares arises through its wholly-owned subsidiaries, namely, Berkat Nusantara Sdn. Bhd. (BNSB), Nusantara Cempaka Sdn. Bhd. (NCSB), Nusantara Delima Sdn. Bhd. (NDSB), Mujur Nusantara Sdn. Bhd. (MNSB), Gerak Nusantara Sdn. Bhd. (GNSB) and Sanjung Nusantara Sdn. Bhd. (SNSB) (collectively, HTSB Subsidiaries). The HTSB Subsidiaries hold such AMH Shares under discretionary trusts for Bumiputera objects. As such, HTSB, THO, Dato' Badri and MSM do not have any economic interest over such AMH Shares as such interest is held subject to the terms of such discretionary trusts.

MSM has a direct equity interest over 11,000 Shares representing 0.0001% equity interest in Maxis. He also has a direct equity interest over 200,000 AMH Shares representing 0.004% equity interest in AMH.

2. UT Group

UTSBM is a wholly-owned subsidiary of UTSB while TCCPM and TGV are wholly-owned subsidiaries of Tanjong which in turn is wholly-owned by Tanjong Capital Sdn. Bhd. (TCSB). Mobitel is a wholly-owned subsidiary of SLT which in turn is 44.98% owned by UTSB. UTSBM, Mobitel, SLT, TCCPM and TGV are Persons Connected to UTSB, PSIL, Excorp, PanOcean and TAK. Please refer to Note 1 above for interests of UTSB, PSIL, Excorp, PanOcean and TAK in Maxis.

Each of PSIL, Excorp, PanOcean and TAK has a deemed interest over 124,688,000 ordinary shares in TCSB (TCSB Shares) representing 65.84% equity interest in TCSB through UTSB. UTSB holds an aggregate of 124,688,000 TCSB Shares representing 65.84% equity interest in TCSB, of which 71,000,000 TCSB Shares representing 37.49% equity interest in TCSB is held directly by UTSB, while 53,688,000 TCSB Shares representing 28.35% equity interest in TCSB is held indirectly, via its wholly-owned subsidiary, Usaha Tegas Resources Sdn. Bhd. (UTRSB).

TAK has a deemed interest in the TCSB Shares in which UTSB has an interest by virtue of the deemed interest of PanOcean in the TCSB 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. PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB.

Although TAK and PanOcean are deemed to have an interest in the TCSB Shares as described in the foregoing, they do not have any economic or beneficial interest over such TCSB Shares, as such interest is held subject to the terms of such discretionary trust referred to the above.

TAK is also deemed to have an interest over 47,792,803 TCSB Shares representing 25.23% equity interest in TCSB through the wholly-owned subsidiaries of MAI Sdn. Berhad (MAI), by virtue of his 100% direct equity interest in MAI.

LGK who is a Director, is also a director of UTSB, UTSBM and TCSB. LGK does not have any equity interest in UTSB, UTSBM, TCSB, TCCPM and TGV. Please refer to Note 1 above for LGK's interest in Maxis.

MSM who is a Major Shareholder, is also a director of TCCPM. MSM does not have any equity interest in TCCPM. Please refer to Note 1 above for MSM's interest in Maxis.

GRI CONTENT INDEX

Maxis Berhad has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards 2021.

GRI Standards	Disclosures	Location	Page Numbers
GRI 2: GENERAL DISCLOSURES 2021			
2-1	Organisational details	Corporate Information; Group Corporate Structure; List of Properties Held	3; 222-223
2-2	Entities included in the organisation's sustainability reporting	Basis of this Report: Scope and Boundaries	1
2-3	Reporting period, frequency and contact point	Basis of this Report: Scope and Boundaries; Feedback	1
2-4	Restatements of information	Restatement of information is conducted following an internal data review, in relation to interest revenue reclassification	11
2-5	External assurance	Basis of this Report: Assurance; Approval by the Board	1
2-6	Activities, value chain and other business relationships	Mobile; Fibre; Enterprise	29-32; 33-34; 35-36
2-7	Employees	Social	42-49
2-8	Workers who are not employees	Social	42-49
2-9	Governance structure and composition	Corporate Governance Overview Statement	72-81
2-10	Nomination and selection of the highest governance body	Statement of the Nomination and Remuneration Committee	82-86
2-11	Chair of the highest governance body	Directors' Profile; Corporate Governance Overview Statement	64-68; 72-81
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement: Sustainability Management	81
2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement: Sustainability Management	81
2-14	Role of the highest governance body in sustainability reporting	Basis of this Report: Approval by the Board	1
2-15	Conflicts of interest	Additional Disclosures	224
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement: Training and Development of Directors	78
2-19	Remuneration policies	Corporate Governance Overview Statement: Remuneration of Directors	79
2-20	Process to determine remuneration	Corporate Governance Overview Statement: Remuneration of Directors	79
2-22	Statement on sustainable development strategy	Corporate Governance Overview Statement: Sustainability Management	81

GRI Standards	Disclosures	Location	Page Numbers
GRI 2: GENERAL DISCLOSURES 2021			
2-23	Policy commitments	Governance: Ethical Business Practice; Corporate Governance Overview Statement	54-56; 72-81
2-24	Embedding policy commitments	Governance: Ethical Business Practice	54-56
2-25	Processes to remediate negative impacts	Statement on Risk Management and Internal Control	92-98
2-26	Mechanisms for seeking advice and raising concerns	Statement on Risk Management and Internal Control	92-98
2-27	Compliance with laws and regulations	Governance: Ethical Business Practice	54-56
2-28	Membership associations	Enterprise: Your Right Business Partner	35-36
2-29	Approach to stakeholder engagement	Engaging with Our Stakeholders	20-21
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	Our Top Material Matters	22-24
3-2	List of material topics	Our Top Material Matters	22-24
3-3	Management of material topics	Our Value Creation Model	14-16
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	Five-Year Financial Highlights	11
201-2	Financial implications and other risks and opportunities due to climate change	Risks and Opportunities: Network Failure Risk; Mobile: Our Network	26; 31-32
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
203-1	Infrastructure investments and services supported	Enterprise: Your Right Business Partner; Empowering Our People and Community: Community Development	35-36; 49-53
203-2	Significant indirect economic impacts	Social: Community Development	49-53
GRI 204: PROCUREMENT PRACTICES 2016			
204-1	Proportion of spending on local suppliers	Governance: Supply Chain Management	56-57
GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risks related to corruption	Governance: Ethical Business Practice	54-56
205-2	Communication and training about anti-corruption policies and procedures	Governance: Ethical Business Practice	54-56
205-3	Confirmed incidents of corruption and actions taken	Governance: Ethical Business Practice	54-56

GRI CONTENT INDEX

GRI Standards	Disclosures	Location	Page Numbers
GRI 302: ENERGY 2016			
302-1	Energy consumption within the organisation	Environmental: Climate Change	38-39
302-4	Reduction of energy consumption	Environmental: Climate Change	38-39
GRI 303: WATER AND EFFLUENTS 2018			
303-5	Water consumption	Environmental: Environmental Management	39-41
GRI 305: EMISSIONS 2016			
305-1	Direct (Scope 1) GHG emissions	Environmental: Climate Change	38-39
305-2	Indirect (Scope 2) GHG emissions	Environmental: Climate Change	38-39
305-4	GHG emissions intensity	Environmental: Climate Change	38-39
305-5	Reduction of GHG emissions	Environmental: Climate Change	38-39
GRI 306: WASTE 2020			
306-1	Waste generation and significant waste-related impacts	Environmental: Environmental Management	39-41
306-2	Management of significant waste-related impacts	Environmental: Environmental Management	39-41
306-3	Waste generated	Environmental: Environmental Management	39-41
306-4	Waste diverted from disposal	Environmental: Environmental Management	39-41
GRI 401: EMPLOYMENT 2016			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social: Employee Development	42-45
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	Social: Occupational Health & Safety	48-49
403-2	Hazard identification, risk assessment, and incident investigation	Social: Occupational Health & Safety	48-49
403-3	Occupational health services	Social: Occupational Health & Safety	48-49
403-5	Worker training on occupational health and safety	Social: Occupational Health & Safety	48-49
403-6	Promotion of worker health	Social: Occupational Health & Safety	48-49

GRI Standards	Disclosures	Location	Page Numbers
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social: Occupational Health & Safety	48-49
403-9	Work-related injuries	Social: Occupational Health & Safety	48-49
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Social: Employee Development	42-45
404-3	Percentage of employees receiving regular performance and career development reviews	Social: Employee Development	42-45
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	Social: Equal Opportunity Workforce & Employment	45-47
GRI 413: LOCAL COMMUNITIES 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	Social: Community Development	49-53
GRI 418: CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance: Data Privacy and Protection	57-58

GLOSSARY

4G LTE: Fourth Generation Long-Term Evolution; a standard for wireless communication of high-speed data for mobile phones and data terminals

5G: 5th generation mobile networks or 5th generation wireless systems; denotes the next major phase of mobile telecommunications standards beyond the current 4G/IMT-Advanced standards

AML/CFT: Anti Money Laundering / Countering Financing of Terrorism

API: Application Programming Interface

APPS: Applications; which are software programmes that can be downloaded and used on smartphones, tablets and computers. Popular Apps include Facebook, Twitter, Waze, WhatsApp, etc

ARPU: Average Revenue Per User

ASEAN: Association of Southeast Asian Nations

B40: Income group of the Malaysian population earning the bottom 40% of household incomes

BTS: Base Transceiver Station; which sends and receives radio signals, that are converted to digital signals, between mobile devices and a network

BURSA SECURITIES: Bursa Malaysia Securities Berhad

CA 2016: Companies Act 2016

CLOUD: Refers to cloud computing services or computing resources that are delivered over the internet for usage as and when they are needed

COE: Centre of Excellence

CORPORATE GOVERNANCE REPORT: Detailed application of the Principles and Recommendations of MCCG during the financial year

EBIT: Earnings before Interest and Taxes

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation

ESG: Environment, Social & Governance

GHG: Greenhouse Gas; a group of gases that traps heat in the atmosphere

ICT: Information and Communications Technology; an umbrella term that includes technology utilised for the collection, storage, transmission, retrieval or processing of data such as radio television, cellular phones, computers, and various services and applications associated with them

IOT: Internet of Things; is the internetworking of physical devices, vehicles, buildings, and other items which are embedded with electronics, software, sensors, actuators and network connectivity that enable these objects to collect and exchange data

IP: Internet Protocol

JENDELA: Jalinan Digital Negara

MAXPERTS: A group of highly skilled tech support team that offers solution expertise such as end-to-end resolution of issues, basic setup and configuration, password resets, product navigational assistance and remote troubleshooting for a range of selected Maxis solutions

MAXIS OR THE COMPANY: Maxis Berhad [Registration No. 200901024473 (867573-A)]

MBPS: Megabits per second

MCCG: Malaysian Code on Corporate Governance

MCMC: Malaysian Communications and Multimedia Commission

MMLR: Main Market Listing Requirements of Bursa Securities

MSME: Micro, Small and Medium Enterprises

NIMP 2030: New Industrial Master Plan 2030; An industrial policy for the manufacturing and manufacturing-related service sector

SD-WAN: Software-defined Wide Area Network

SME: Small and Medium Enterprises

SOP: Standard Operating Procedure

UN SDGS: United Nations Sustainable Development Goals

TCFD: Task Force on Climate-related Financial Disclosures

WBB: Wireless Broadband

ZEROLUTION: A programme that allows customers to purchase a device with RM0 upfront payment and pay over 12 to 36 monthly payments at 0% interest

MAXIS BERHAD

Registration No. 200901024473 (867573-A)
Incorporated in Malaysia

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting ("AGM") of MAXIS BERHAD ("Maxis" or **"the Company")** will be held on a virtual basis for the purpose of considering and, if thought fit, passing with or without modifications the resolutions set out in this notice.

Online Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Day and Date	:	Thursday, 16 May 2024
Time	:	2.30 p.m.
Broadcast Venue	:	**Auditorium, 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**
Mode of Communication for Online Participation	:	1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal one (1) hour before the Fifteenth AGM, that is from 1.30 p.m. on Thursday, 16 May 2024. 2) E-mail questions to ir@maxis.com.my prior to the Fifteenth AGM.

NO.	AGENDA	ORDINARY RESOLUTIONS
1	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**.	
2	To re-elect the following Directors who retire pursuant to Rule 131.1 of the Constitution of the Company and, being eligible, have offered themselves for re-election:	
	a) Mohammed Abdullah K. Alharbi	**Resolution 1**
	b) Mazen Ahmed M. AlJubeir	**Resolution 2**
	c) Abdulaziz Abdullah M. Alghamdi **Please refer to Note B.**	**Resolution 3**
3	To re-elect Ong Chu Jin Adrian who retires pursuant to Rule 116 of the Constitution of the Company and, being eligible, has offered himself for re-election. **Please refer to Note B.**	**Resolution 4**
4	To approve the payment of Directors' fees and benefits to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in 2025. **Please refer to Note C.**	**Resolution 5**
5	To re-appoint PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorise the Directors to fix their remuneration. **Please refer to Note D.**	**Resolution 6**
	As Special Business **To consider and, if thought fit, to pass the following Resolutions:**	
6	**Continuation in Office as Independent Director**	
	That approval be given for Dato' Hamidah binti Naziadin to continue to act as an Independent Director of the Company from 18 May 2024 to 17 May 2025. **Please refer to Note E.**	**Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING

7 Renewal of the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016"). **Resolution 8**

"THAT the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the CA 2016, to allot and issue shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit including in pursuance of offers, agreements, rights or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements, rights or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof provided that the aggregate number of shares to be issued pursuant to this approval does not exceed ten (10) percent of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the CA 2016, the Constitution of the Company, the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the approvals of all relevant regulatory bodies being obtained (if required)."
Please refer to Note F.

8 To obtain shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature with:

a)	Astro Malaysia Holdings Berhad and/or its affiliates;	**Resolution 9**
b)	Usaha Tegas Sdn. Bhd. and/or its affiliates;	**Resolution 10**
c)	MEASAT Global Berhad and/or its affiliates;	**Resolution 11**
d)	Maxis Communications Berhad and/or its affiliates;	**Resolution 12**
e)	Saudi Telecom Company and/or its affiliates;	**Resolution 13**
f)	SRG Asia Pacific Sdn. Bhd.;	**Resolution 14**
g)	Malaysian Landed Property Sdn. Bhd. and/or its affiliates;	**Resolution 15**
h)	ZenREIT Sdn. Bhd.; and	**Resolution 16**
i)	Bumi Armada Automation International Sdn. Bhd.	**Resolution 17**

The details of such RRPTs and the full text of Ordinary Resolution 9 to Ordinary Resolution 17 are set out in Appendix I and Appendix VI respectively of the Circular to Shareholders dated 17 April 2024 issued together with this Notice of Annual General Meeting.

9 To transact any other business that may be transacted at the Fifteenth AGM of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

DIPAK KAUR (LS 5204)
SSM PC No. 201908002620
Company Secretary

Kuala Lumpur
17 April 2024

EXPLANATORY NOTES

A. This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 ("CA 2016") and the Constitution of the Company, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

B. (i) **Ordinary Resolutions 1, 2 and 3:** Mohammed Abdullah K. Alharbi, Mazen Ahmed M. AlJubeir and Abdulaziz Abdullah M. Alghamdi are due for retirement by rotation pursuant to Rule 131.1 of the Constitution of the Company and being eligible, are standing for re-election.

(ii) **Ordinary Resolution 4:** Ong Chu Jin Adrian was appointed as a Director of the Company on 8 August 2023 thus, he is due for retirement pursuant to Rule 116 of the Constitution of the Company and being eligible, is standing for re-election.

For the purpose of determining the eligibility of each of the retiring Directors (referred to in Ordinary Resolutions 1, 2, 3 and 4) standing for re-election at the Fifteenth AGM, the Board, through its Nomination and Remuneration Committee ("NRC"), had assessed each of the retiring Directors, and considered the following:
(i) performance and contribution based on the Self-Assessment ("SA") results of the Board Effectiveness Evaluation ("BEE") 2023;
(ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities;
(iii) level of objectivity, impartiality and their abilities to act in the best interests of the Company; and
(iv) the Directors' fitness and properness in accordance with the Fit and Proper Policy.

In addition, the NRC and the Board, in line with Practice 6.1 of the Malaysian Code on Corporate Governance ("MCCG"), had conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following:
(a) Will and ability to critically challenge and ask the right questions;
(b) Character and integrity in dealing with potential conflict of interest situations;
(c) Commitment to serve the company, due diligence and integrity;
(d) Confidence to stand up for a point of view;
(e) Fit and properness;
(f) Calibre and personality;
(g) Board dynamics and participation;
(h) Competency and capability;
(i) Independence and objectivity; and
(j) Contribution and performance.

The individual Directors (including the retiring Directors) met the performance criteria required of an effective and high-performance Board based on the Directors' SA results of the BEE 2023.

The NRC and the Board have considered the results of the assessment conducted on the Directors and collectively agreed that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors as prescribed by Paragraph 2.20A of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"), and additionally have satisfied the Directors' fit and proper assessment criteria.

The Board approved the NRC's recommendation that the retiring Directors, namely Mohammed Abdullah K. Alharbi, Mazen Ahmed M. AlJubeir, Abdulaziz Abdullah M. Alghamdi and Ong Chu Jin Adrian are eligible to stand for re-election.

The retiring Directors have abstained from deliberation and decision on their respective eligibility and suitability to stand for re-election at the relevant NRC and Board meetings. The profiles of the retiring Directors are set out on pages 66 to 68 of the Company's Integrated Annual Report for the financial year ended 31 December 2023. Save as disclosed in the relevant profiles and conflict of interest disclosures of the retiring Directors on pages 66 to 68 and page 224 respectively, of the Company's Integrated Annual Report for the financial year ended 31 December 2023, the retiring Directors do not hold any shares in Maxis, have no family relationship with any Director and/or major shareholder of Maxis, have no conflict of interest or potential conflict of interest including any interest in any competing business with Maxis or its subsidiaries, have not been convicted of any offence within the past five (5) years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2023.

Any Director referred to in Ordinary Resolutions 1 to 4, who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the Fifteenth AGM.

NOTICE OF ANNUAL GENERAL MEETING

C. Payment of Directors' Remuneration to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company in 2025.

Pursuant to Section 230(1) of the CA 2016, fees and benefits ("Remuneration") payable to the Directors of the Company shall be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Remuneration to Non-Executive Directors of the Company in respect of the period commencing from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company in 2025 ("Mandate Period") in accordance with the remuneration structure set out below. The Remuneration comprises fees and/or benefits payable to the Chairman, members of the Board, and/or the Chairmen and members of Board Committees.

Remuneration Structure	Fees/Benefits (RM)
Chairman Fees	33,334 per month
Director Fees	20,834 per month
Chairman of Audit and Risk Committee Fees	10,000 per month
Chairman of Transformation Committee Fees	10,000 per month
Chairman of Nomination and Remuneration Committee Fees	4,167 per month
Chairman of Government and Regulatory Affairs Committee Fees	4,167 per month
Member of Audit and Risk Committee Fees	4,167 per month
Member of Transformation Committee Fees	4,167 per month
Member of Nomination and Remuneration Committee Fees	1,667 per month
Member of Government and Regulatory Affairs Committee Fees	1,667 per month
Chairman's Benefits	5,600 per month
Directors' Benefits	Up to 100,000

Note: *There are no changes to the monthly fees since the last Annual General Meeting. The Chairman's monthly benefits above comprise a company car and driver benefits. The Directors' benefits above (which will also be made available to the Chairman) comprise the aggregate amount of telecommunication-related facilities.*

If passed, this shareholders' approval will allow the Company to make payment of fees to Non-Executive Directors of the Company on a monthly basis and to make available the benefits as and when incurred in accordance with the remuneration structure set out above within the Mandate Period.

Any Non-Executive Director who is a shareholder of the Company will abstain from voting on Ordinary Resolution 5 in respect of Remuneration to the Non-Executive Directors of the Company at the Fifteenth AGM.

D. The Audit and Risk Committee ("ARC") and the Board have considered the re-appointment of PricewaterhouseCoopers PLT ("PwC") as Auditors of the Company and collectively agreed that PwC meets the criteria prescribed by Paragraph 15.21 of the MMLR.

The ARC, at its meeting held on 20 February 2024, made an assessment of the suitability and independence of the external auditors, PwC in accordance with the External Auditor Independence Policy of the Group and the criteria under Paragraph 15.21 of the MMLR. It had also considered the information presented by PwC in its 2023 Audit Transparency Report as per Guidance 9.3 of the MCCG.

The ARC was satisfied with the suitability of PwC based on the quality of audit, performance, competency, experience and sufficiency of resources the external audit team provided to the Maxis Group. The ARC was also satisfied in its review that the provisions of non-audit services by PwC to the Company and the Group for the financial year ended 2023 did not in any way impair their objectivity and independence as external auditors of the Maxis Group.

The Board, at its meeting held on 21 February 2024, approved the ARC's recommendation for shareholders' approval to be sought at the Fifteenth AGM for the appointment of PwC as external auditors of the Company for the financial year ending 2024, in accordance with Rule 90 of the Constitution of the Company, Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

E. Dato' Hamidah binti Naziadin ("DHN") was appointed as Independent Director on 1 February 2014 and has exceeded a cumulative tenure of nine (9) years. Pursuant to the shareholders' approval obtained at the Company's Fourteenth Annual General Meeting held on 18 May 2023, DHN was authorised to continue serving on the Board as Independent Director until 17 May 2024.

In accordance with the MCCG, the Board, through the NRC, undertook relevant assessments and recommended for DHN to continue to serve as Independent Non-Executive Director for a further one (1) year period from 18 May 2024 to 17 May 2025.

DHN has abstained from deliberation and voting at the relevant NRC and Board meetings in respect of the recommendation on DHN's continuation to act as an Independent Director of the Company.

The NRC and Board's recommendations are based on the following justifications:

(a) DHN has fulfilled the criteria of an Independent Director as stated in the MMLR. She has demonstrated her objectivity and independence both in substance and form. DHN is not hesitant to challenge the rest of the Board members and Management team in the course of discharging her responsibilities as a Director and when considering Board/ Committee matters.
(b) DHN is free from any conflicts of interest. She provides constructive independent counsel to the NRC (as Chair), ARC (as member) and Board, and guidance to Management. DHN has the ability to independently steer the NRC in the best interests of Maxis.
(c) DHN has vast hands-on experience, knowledge and skills in a diverse range of businesses and therefore continually provides pragmatic opinions, counsel, oversight, and guidance as a Director. Her insights provide impartiality to matters considered by the Board and Board Committees.
(d) DHN has specialised knowledge of human resources, people management and Corporate Social Responsibility practices which she brings to the Board and Maxis. DHN also has experience mentoring and coaching young talent and women.
(e) The length of time that DHN has remained in her role has not interfered with her ability to exercise independent judgment as an Independent Director and she has continued to contribute to the performance and positive dynamics of the Board Committees and Board.
(f) DHN together with the other Independent Directors, each function as a check and balance to the Board and in the exercise of objectivity as Directors.
(g) DHN has devoted sufficient time and attention to her professional obligations to Maxis required for informed and balanced decision-making.

The Board continues to dedicate its efforts to searching the market for suitably qualified Independent Directors, including women directors who fulfil the required attributes and who can contribute to Maxis in its growth strategy. Board appointments are based on merits, skills, experience, gaps in Board composition and requirements of Maxis.

The NRC and Board are satisfied that DHN consistently demonstrates independent judgment and acts in the best interests of the Company.

DHN's profile is set out on page 64 of the Company's Integrated Annual Report for the financial year ended 31 December 2023. DHN does not hold any shares in Maxis, has no family relationship with any Director and/or major shareholder of Maxis, has no conflict of interest or potential conflict of interest including any interest in any competing business with Maxis or its subsidiaries, has not been convicted of any offence within the past five (5) years and has not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2023.

F. Authority to allot and issue shares pursuant to Sections 75 and 76 of the CA 2016.

Ordinary Resolution 8 is for the purpose of renewing the general mandate for issuance of shares by the Company pursuant to Sections 75 and 76 of the CA 2016.

The Company did not issue any shares pursuant to Sections 75 and 76 of the CA 2016 under the general mandate sought at the Fourteenth Annual General Meeting held on 18 May 2023, which will lapse upon the conclusion of the forthcoming Fifteenth AGM to be held on 16 May 2024.

The proposed resolution, if passed, will give authority to the Directors of the Company, from the date of this Annual General Meeting, to allot and issue shares or to make or grant offers, agreements, rights or options in respect of shares to such persons in their absolute discretion, including to make or grant offers, agreements, rights or options which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a general meeting, provided that the aggregate number of shares issued does not exceed 10% of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

The general mandate sought will enable the Directors of the Company to allot and issue shares, including but not limited to making placement of shares for the purposes of raising funding for investment(s), working capital and general corporate purposes as deemed necessary.

Notes:

1. Virtual Annual General Meeting

(i) The Fifteenth AGM will be conducted virtually where members shall only participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Fifteenth AGM in order to register, participate and vote remotely via RPEV facilities.

(ii) With RPEV facilities, members or their proxies may exercise their right to participate (including to pose questions to the Company) and vote at the Fifteenth AGM. Members may use the query box facility to submit questions in real time during the live streaming of the Fifteenth AGM or e-mail questions to ir@maxis.com.my prior to the meeting.

(iii) The venue of the Fifteenth AGM is strictly for purposes of complying with Section 327(2) of the CA 2016, which requires the Chairman of the Meeting to be at the main venue ("Broadcast Venue") and to facilitate the conduct of the virtual meeting. As such, no shareholder(s), proxy(ies), authorised representative(s) or attorney(s) will be physically present at the Broadcast Venue.

2. Proxy

(i) Since the Fifteenth AGM will be conducted virtually, members who wish to participate in the meeting would be required to register yourselves through https://investor.boardroomlimited.com.

(ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:
- (a) save as provided for in Note 2(iii), the CA 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
- (b) where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of the member's shareholdings to be represented by each proxy.

(iii) For the avoidance of doubt, and subject always to Note 2(ii)(b), the CA 2016 and any applicable laws:
- (a) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (b) Where a member of the Company is an authorised nominee, it may appoint at least one (1) 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 (1) instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
- (c) A member who is a substantial shareholder (within the meaning of the CA 2016) may appoint up to (but not more than) five (5) proxies.

(iv) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(v) The appointment of proxy may be made via hardcopy Proxy Form pursuant to Rule 111 of the Constitution of the Company or electronically pursuant to Rule 89 of the Constitution of the Company. The instrument appointing a proxy shall be as follows:

(a) In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 15 May 2024 at 2.30 p.m.

(b) By Electronic Means

The Proxy Form may be submitted:
- (i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. via e-mail to bsr.helpdesk@boardroomlimited.com no later than Wednesday, 15 May 2024 at 2.30 p.m.; or
- (ii) via electronic means ("e-Proxy") through the "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com by logging in and selecting "Submit e-Proxy Form" no later than Wednesday, 15 May 2024 at 2.30 p.m. (please refer to the RPEV Administrative Details available at https://maxis.listedcompany.com/general_meetings.html for further information on electronic submission).

(vi) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
(vii) The lodging of a Proxy Form does not preclude a member from participating and voting at the meeting should the member subsequently decide to do so.

3. Voting
(i) Pursuant to Paragraph 8.29A(1) of the MMLR, all the resolutions at the Fifteenth AGM of the Company shall be put to vote by way of poll.
(ii) Please refer to the voting procedures as specified in the RPEV Administrative Details for the Fifteenth AGM.
(iii) Upon completion of the voting session for the Fifteenth AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

Members Entitled to Attend
For purposes of determining the entitlement of a member to attend the Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 10 May 2024. Only a depositor whose name appears on the General Meeting Record of Depositors as at 10 May 2024 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

Personal Data Protection Measures
Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement as found on page 225 of Maxis Integrated Annual Report 2023.

By attending the AGM and/or registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to: (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

NOTE 1: The term "processing" and "personal data" shall have the same meaning as defined in the Personal Data Protection Act 2010.

NOTE 2: This statement should be read in conjunction with Maxis' Privacy Notice for Shareholders which is also accessible at https://maxis.listedcompany.com/general_meetings.html.

NOTE 3: For the avoidance of doubt, a member of the Company refers to a registered shareholder of Maxis and includes a personal representative or trustee of an estate (in the case of a deceased individual shareholder).

Maxis Integrated Annual Report 2023, Corporate Governance Report 2023, Circular to Shareholders, Proxy Form, RPEV Administrative Details, Privacy Notice for Maxis' Fifteenth AGM Attendees and queries related to Fifteenth AGM
1. Maxis Integrated Annual Report 2023, Corporate Governance Report 2023, Circular to Shareholders, Proxy Form, RPEV Administrative Details and Privacy Notice for Maxis' Fifteenth AGM Attendees may be downloaded at this link https://maxis.listedcompany.com/general_meetings.html.
2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and the Company's website at www.maxis.com.my from time to time for any updates on the Fifteenth AGM subsequent to the issuance of this Notice.
3. Any queries relating to the Fifteenth AGM including the lodgment of Proxy Form and the RPEV procedures may be directed to bsr.helpdesk@boardroomlimited.com. For the avoidance of doubt, save for making the foregoing queries, you may not use the said email address to communicate with the Company for any other purposes.
4. Please refer to the RPEV Administrative Details at this link https://maxis.listedcompany.com/general_meetings.html for further details of the Fifteenth AGM.

This page has been intentionally left blank.

Dear Shareholders,

We are pleased to inform you that as a Shareholder, you have the option to submit your Proxy Form via electronic means (e-Proxy) in paperless form. Once you have successfully submitted your e-Proxy Form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

To assist you on how to engage with e-Proxy, kindly refer to the guidance as set out in the RPEV Administrative Details.

Maxis Berhad [Registration No. 200901024473 (867573-A)]

Proxy Form

*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. and Email Address__________________________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)

Telephone No: ____________________Email Address: ______________________________

and/or________________________________*NRIC/*Passport No____________________
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of____
(ADDRESS)

Telephone No: ____________________Email 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 Fifteenth Annual General Meeting ("AGM") of the Company to be conducted virtually on our Meeting Platform on Thursday, 16 May 2024 at 2.30 p.m. and at any adjournment thereof.

Online Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657)
Day and Date	:	Thursday, 16 May 2024
Time	:	2.30 p.m.
Broadcast Venue	:	Auditorium, 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Mode of Communication for Online Participation	:	1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal one (1) hour before the Fifteenth AGM, that is from 1.30 p.m. on Thursday, 16 May 2024. 2) E-mail questions to ir@maxis.com.my prior to the Fifteenth AGM.

*I/We indicate with an "√" or "X" in the spaces below how *I/we wish *my/our vote to be cast:

AGENDA

1 To receive the Audited Financial Statements and the Reports of the Directors and Auditors thereon.

	ORDINARY RESOLUTIONS		**FOR**	**AGAINST**
2	Re-election of the following Directors who retire pursuant to Rule 131.1 of the Constitution of the Company:			
	a) Mohammed Abdullah K. Alharbi	Resolution 1		
	b) Mazen Ahmed M. AlJubeir	Resolution 2		
	c) Abdulaziz Abdullah M. Alghamdi	Resolution 3		
3	Re-election of Ong Chu Jin Adrian, who retires pursuant to Rule 116 of the Constitution of the Company	Resolution 4		
4	Approval for Directors' Remuneration for Non-Executive Directors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company	Resolution 5		
5	Re-appointment of PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) as Auditors of the Company	Resolution 6		
6	Approval for Dato' Hamidah binti Naziadin to continue to act as an Independent Director of the Company from 18 May 2024 to 17 May 2025	Resolution 7		
7	Renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016")	Resolution 8		
8	To obtain shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with:			
	a) Astro Malaysia Holdings Berhad and/or its affiliates	Resolution 9		
	b) Usaha Tegas Sdn. Bhd. and/or its affiliates	Resolution 10		
	c) MEASAT Global Berhad and/or its affiliates	Resolution 11		
	d) Maxis Communications Berhad and/or its affiliates	Resolution 12		
	e) Saudi Telecom Company and/or its affiliates	Resolution 13		
	f) SRG Asia Pacific Sdn. Bhd.	Resolution 14		
	g) Malaysian Landed Property Sdn. Bhd. and/or its affiliates	Resolution 15		
	h) ZenREIT Sdn. Bhd.	Resolution 16		
	i) Bumi Armada Automation International Sdn. Bhd.	Resolution 17		

Subject to the above stated 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

....

Signed by *individual member/officer or attorney of member/authorised nominee of

....
(beneficial owner)

No. of shares held: ....

Securities Account No.: ....
(CDS Account No.) (Compulsory)

Date:

The proportions of *my/our holding to be represented by *my/our proxies are as follows:

First Proxy
No. of Shares: ....

Percentage: .... %

If appointment of proxy is under seal
The Common Seal of

was hereto affixed in accordance with its Constitution in the presence of:

....

Director *Director/Secretary

in its capacity as *member/attorney of member/authorised nominee of

....
(beneficial owner)

No. of shares held: ....

Securities Account No.: ....
(CDS Account No.) (Compulsory)

Date:

Seal

Second Proxy
No. of Shares: ....

Percentage: .... %

Notes:

1. **Virtual Annual General Meeting**
   (i) The Fifteenth AGM will be conducted virtually where members shall only participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Fifteenth AGM in order to register, participate and vote remotely via RPEV facilities.
   (ii) With RPEV facilities, members or their proxies may exercise their right to participate (including to pose questions to the Company) and vote at the Fifteenth AGM. Members may use the query box facility to submit questions in real time during the live streaming of the Fifteenth AGM or e-mail questions to ir@maxis.com.my prior to the meeting.
   (iii) The venue of the Fifteenth AGM is strictly for purposes of complying with Section 327(2) of the CA 2016, which requires the Chairman of the Meeting to be at the main venue ("Broadcast Venue") and to facilitate the conduct of the virtual meeting. As such, no shareholder(s), proxy(ies), authorised representative(s) or attorney(s) will be physically present at the Broadcast Venue.

2. **Proxy**
   (i) Since the Fifteenth AGM will be conducted virtually, members who wish to participate in the meeting would be required to register yourselves through https://investor.boardroomlimited.com.
   (ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:
      (a) save as provided for in Note 2(iii), the CA 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
      (b) where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of the member's shareholdings to be represented by each proxy.
   (iii) For the avoidance of doubt, and subject always to Note 2(ii)(b), the CA 2016 and any applicable laws:
      (a) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
      (b) Where a member of the Company is an authorised nominee, it may appoint at least one (1) 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 (1) instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
      (c) A member who is a substantial shareholder (within the meaning of the CA 2016) may appoint up to (but not more than) five (5) proxies.
   (iv) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
   (v) The appointment of proxy may be made via hardcopy Proxy Form pursuant to Rule 111 of the Constitution of the Company or electronically pursuant to Rule 89 of the Constitution of the Company. The instrument appointing a proxy shall be as follows:
      (a) In Hardcopy Form
      The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

      The Proxy Form shall be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 15 May 2024 at 2.30 p.m.

      (b) By Electronic Means
      The Proxy Form may be submitted:
         (i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. via e-mail to bsr.helpdesk@boardroomlimited.com, no later than Wednesday, 15 May 2024 at 2.30 p.m.; or
         (ii) via electronic means ("e-Proxy") through the "Boardroom Smart Investor Portal" at https://investor.boardroomlimited.com by logging in and selecting "Submit e-Proxy Form" no later than Wednesday, 15 May 2024 at 2.30 p.m. (please refer to the RPEV Administrative Details available at https://maxis.listedcompany.com/general_meetings.html for further information on electronic submission).
   (vi) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
   (vii) The lodging of a Proxy Form does not preclude a member from participating and voting at the meeting should the member subsequently decide to do so.

3. **Voting**
   (i) Pursuant to Paragraph 8.29A(1) of the MMLR, all the resolutions at the Fifteenth AGM of the Company shall be put to vote by way of poll.
   (ii) Please refer to the voting procedures as specified in the RPEV Administrative Details for the Fifteenth AGM.
   (iii) Upon completion of the voting session for the Fifteenth AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

Members Entitled to Attend
For purposes of determining the entitlement of a member to attend the Fifteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 10 May 2024. Only a depositor whose name appears on the General Meeting Record of Depositors as at 10 May 2024 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

Personal Data Protection Measures
Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement as found on page 225 of Maxis Integrated Annual Report 2023.
By attending the AGM and/or registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to: (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

NOTE 1: The term "processing" and "personal data" shall have the same meaning as defined in the Personal Data Protection Act 2010.
NOTE 2: This statement should be read in conjunction with Maxis' Privacy Notice for Shareholders which is also accessible at https://maxis.listedcompany.com/general_meetings.html.
NOTE 3: For the avoidance of doubt, a member of the Company refers to a registered shareholder of Maxis and includes a personal representative or trustee of an estate (in the case of a deceased individual shareholder).

Maxis Integrated Annual Report 2023, Corporate Governance Report 2023, Circular to Shareholders, Proxy Form, RPEV Administrative Details, Privacy Notice for Maxis' Fifteenth AGM Attendees and queries related to Fifteenth AGM

1. Maxis Integrated Annual Report 2023, Corporate Governance Report 2023, Circular to Shareholders, Proxy Form, RPEV Administrative Details and Privacy Notice for Maxis' Fifteenth AGM Attendees may be downloaded at this link https://maxis.listedcompany.com/general_meetings.html.
2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and Company's website at www.maxis.com.my from time to time for any updates on the Fifteenth AGM subsequent to the issuance of this Notice.
3. Any queries relating to the Fifteenth AGM including the lodgment of Proxy Form and the RPEV procedures may be directed to bsr.helpdesk@boardroomlimited.com. For the avoidance of doubt, save for making the foregoing queries, you may not use the said email address to communicate with the Company for any other purposes.
4. Please refer to the RPEV Administrative Details at this link https://maxis.listedcompany.com/general_meetings.html for further details of the Fifteenth AGM.

fold here

STAMP

Maxis Berhad [Registration No. 200901024473 (867573-A)]

Maxis Berhad
c/o Boardroom Share Registrars Sdn. Bhd.
[Registration Number: 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

fold here

www.maxis.com.my

Maxis Berhad [Registration No. 200901024473 (867573-A)]
Level 21, Menara Maxis, Kuala Lumpur City Centre
Off Jalan Ampang, 50088 Kuala Lumpur