



MAXIS BERHAD

Company No. (200901024473 (867573-A))

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

ANNOUNCEMENT

The Board of Directors of Maxis Berhad (“Maxis” or “the Company”) is pleased to announce the following condensed consolidated financial statements for the fourth quarter ended 31 December 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED	QUARTER ENDED	+	YEAR ENDED	YEAR ENDED	+
		31/12/2022	31/12/2021	-	31/12/2022	31/12/2021	-
		RM'm	RM'm	%	RM'm	RM'm	%
			(Restated)			(Restated)	
Revenue	3	2,554	2,456	4.0	9,789	9,241	5.9
Traffic, device, commissions and other direct costs		(1,045)	(1,045)		(3,822)	(3,472)	
Spectrum licence fees		(63)	(71)		(259)	(271)	
Network costs		(123)	(119)		(518)	(479)	
Staff and resource costs		(216)	(191)		(813)	(735)	
Operation and maintenance costs		(109)	(114)		(394)	(401)	
Marketing costs		(52)	(48)		(189)	(180)	
Impairment of receivables and deposits, net		(22)	2		(107)	(17)	
Government grant and other income		74	85		301	271	
Other operating expenses		(13)	(33)		(49)	(95)	
Depreciation and amortisation		(465)	(435)		(1,721)	(1,649)	
Finance income		9	8		30	22	
Finance costs		(120)	(111)		(437)	(473)	
Profit before tax	20	409	384	6.5	1,811	1,762	2.8
Tax expenses	21	(170)	(95)		(630)	(454)	
Profit for the period/year		239	289	(17.3)	1,181	1,308	(9.7)
Attributable to:							
- equity holders of the Company		240	289	(17.0)	1,182	1,308	(9.6)
- non-controlling interest		(1)	-		(1)	-	
Earnings per share attributable to equity holders of the Company (sen):							
- basic	28	3.1	3.7		15.1	16.7	
- diluted	28	3.1	3.7		15.1	16.7	



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2022	QUARTER ENDED 31/12/2021	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
	RM'm	RM'm	RM'm	RM'm
Profit for the period/year	239	289	1,181	1,308
<b>Other comprehensive income</b>				
<b>Item that will be reclassified subsequently to profit or loss:</b>				
Net change in cash flow hedge	(8)	3	3	12
Total comprehensive income for the period/year	<u>231</u>	<u>292</u>	<u>1,184</u>	<u>1,320</u>
Attributable to:				
- equity holders of the Company	232	292	1,185	1,320
- non-controlling interest	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 31/12/2022 RM'm	AS AT 31/12/2021 RM'm (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	9	5,639	5,193
Intangible assets <sup>(1)</sup>		11,507	11,474
Right-of-use assets ("ROU")		1,887	1,854
Financial assets at fair value through other comprehensive income ("FVOCI")		4	4
Receivables, deposits and prepayments	25	1,226	1,068
Deferred tax assets		1	*
		<u>20,264</u>	<u>19,593</u>
<b>Current assets</b>			
Inventories		8	5
Receivables, deposits and prepayments	25	2,136	1,654
Amounts due from related parties		9	*
Derivative financial instruments	24	*	*
Tax recoverable		*	*
Deposits, cash and bank balances		628	1,191
		<u>2,781</u>	<u>2,850</u>
<b>Total assets</b>		<u>23,045</u>	<u>22,443</u>
<b>Current liabilities</b>			
Provisions for liabilities and charges		144	137
Payables and accruals		3,807	3,527
Amounts due to related parties		32	20
Borrowings	23	283	2,034
Derivative financial instruments	24	6	9
Taxation		171	19
		<u>4,443</u>	<u>5,746</u>
<b>Net current liabilities</b>		<u>(1,662)</u>	<u>(2,896)</u>

Notes:

<sup>(1)</sup> Includes intangible assets arising from business combination comprising goodwill and telecommunications licenses of RM9,687 million (2021: RM9,581 million), spectrum rights of RM1,217 million (2021: RM1,337 million) and customer relationships of RM8 million (2021: Nil)

\* Less than RM1 million.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	Note	AS AT 31/12/2022 RM'm	AS AT 31/12/2021 RM'm (Restated)
<b>Non-current liabilities</b>			
Provisions for liabilities and charges		366	335
Payables and accruals		385	145
Deferred income		913	528
Borrowings	23	9,582	8,056
Deferred tax liabilities		985	908
		<u>12,231</u>	<u>9,972</u>
<b>Net assets</b>		<u>6,371</u>	<u>6,725</u>
<b>Equity</b>			
Share capital		2,585	2,564
Reserves		3,784	4,161
<b>Equity attributable to equity owners of the Company</b>		<u>6,369</u>	<u>6,725</u>
Non-controlling interest		2	-
<b>Total equity</b>		<u>6,371</u>	<u>6,725</u>
<b>Net assets per share attributable to equity holders of the company (RM)</b>		<u>0.81</u>	<u>0.86</u>



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

← Attributable to equity holders of the Company →

Year ended 31/12/2022	Note	Share Capital	Merger relief <sup>(2)</sup>	Reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
				arising from reverse acquisition					
		RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/1/2022		2,564	22,729	(22,729)	64	4,097	6,725	-	6,725
Profit for the year		-	-	-	-	1,182	1,182	(1)	1,181
Other comprehensive income for the year		-	-	-	3	-	3	-	3
Total comprehensive income for the year		-	-	-	3	1,182	1,185	(1)	1,184
Dividends provided for or paid	7	-	-	-	-	(1,566)	(1,566)	-	(1,566)
Long-term Incentive Plan ("LTIP") and Incentive arrangement									
- shares-based payment expense		-	-	-	32	-	32	-	32
- share issued		21	-	-	(21)	-	-	-	-
- shares acquired		-	-	-	(7)	-	(7)	-	(7)
- shares disposed		-	-	-	1	(1)	-	-	-
Acquisition of non-wholly owned subsidiary		-	-	-	-	-	-	3	3
At 31/12/2022		<u>2,585</u>	<u>22,729</u>	<u>(22,729)</u>	<u>72</u>	<u>3,712</u>	<u>6,369</u>	<u>2</u>	<u>6,371</u>

Note:

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



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31/12/2021	Share capital	Merger relief <sup>(2)</sup>	Reserve arising from reverse acquisition	Other reserves	Retained earnings	Total equity
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/1/2021	2,547	22,729	(22,729)	49	4,119	6,715
Profit for the year	-	-	-	-	1,308	1,308
Other comprehensive income for the year	-	-	-	12	-	12
Total comprehensive income for the year	-	-	-	12	1,308	1,320
Dividends provided for or paid	-	-	-	-	(1,330)	(1,330)
LTIP and incentive arrangement:						
- share-based payment expense	-	-	-	27	-	27
- shares issued	17	-	-	(17)	-	-
- shares acquired	-	-	-	(7)	-	(7)
At 31/12/2021	<u>2,564</u>	<u>22,729</u>	<u>(22,729)</u>	<u>64</u>	<u>4,097</u>	<u>6,725</u>

Note:

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



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
	RM'm	RM'm (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	1,181	1,308
Adjustments for:		
- non-cash items	2,047	1,872
- finance costs	437	473
- finance income	(30)	(22)
- tax expenses	630	454
Government grant relating to costs	99	85
Payments for provision for liabilities and charges	(131)	(114)
Operating cash flows before working capital changes	4,233	4,056
Changes in working capital	(555)	(13)
Cash flows from operations	3,678	4,043
Interest received	30	21
Tax paid	(405)	(301)
Tax refund	*	-
Net cash flows from operating activities	3,303	3,763
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(1,720)	(1,633)
Consideration paid for business combinations	(111)	(10)
Government grant relating to the purchase of assets	535	143
Proceeds from disposal of property, plant and equipment	*	*
Placement of deposits with maturity of more than three months	*	3
Net cash flows used in investing activities	(1,296)	(1,497)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares acquired pursuant to incentive arrangement	(7)	(7)
Shares disposed pursuant to incentive arrangement	1	-
Drawdown of borrowings	1,500	2,300
Repayment of borrowings	(1,750)	(2,050)
Repayment of lease liabilities	(320)	(264)
Payments of finance costs	(428)	(456)
Ordinary share dividends paid	(1,566)	(1,330)
Net cash flows used in financing activities	(2,570)	(1,807)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(563)</b>	<b>459</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,164</b>	<b>705</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR<sup>(3)</sup></b>	<b>601</b>	<b>1,164</b>

Notes:

<sup>(3)</sup> The difference between the cash and cash equivalents and deposits, cash and bank balances represents deposits with financial institutions that carry maturity periods of more than three months.

\* Less than RM1 million.



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

## 1. BASIS OF PREPARATION

The quarterly report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 (“FY2021”).

The significant accounting policies and methods of computation adopted for the quarterly report are consistent with those adopted for the audited financial statements for FY2021, except as disclosed in Note 3 and the restatement of comparatives as disclosed below:

		As reported RM'mil	Adjustments RM'mil	Restated RM'mil
<b>Non-current assets</b>				
Receivables, deposits and prepayments	(a)	915	153	1,068
<b>Current assets</b>				
Receivables, deposits and prepayments	(a)	1,807	(153)	1,654
<b>Current liabilities</b>				
Payable and accruals	(b)	4,055	(528)	3,527
<b>Non-current liabilities</b>				
Deferred income	(b)	-	528	528

### (a) Deposits

In the statements of financial position, deposits amounted to RM153 million as at 31 December 2021 are reclassified from current assets – receivables, deposits and prepayments to non-current assets – receivables, deposits and prepayments as these deposits are not expected to be realised within the next 12 months from the reporting date.

### (b) Government grant

In the statements of financial position, government grants relating to the purchase of assets amounted to RM528 million as at 31 December 2021 are reclassified from current liabilities – payables and accruals to non-current liabilities – deferred income as these grants are expected to be recognised as income over the expected useful life of the corresponding assets.

In the statement of cash flows, government grants received relating to the purchase of assets of RM143 million in the previous financial year are reclassified from cash flows from operating activities to cash flows from investing activities. As a result, the net cash flows from operating activities of RM3,906 million and the net cash flows used in investing activities of RM1,640 million as reported in the previous financial year have been restated to RM3,763 million and RM1,497 million respectively.





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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

## 1. BASIS OF PREPARATION (CONTINUED)

The Group has adopted the following amendments to MFRS that came into effect on 1 January 2022 which did not have any significant impact on the unaudited quarterly report upon their application.

- Amendments to MFRS 3 Reference to Conceptual Framework
- Amendments to MFRS 116 Proceeds before Intended Use
- Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRSs 2018-2020 Cycle

### **Amendments to MFRS that is applicable to the Group but not yet effective**

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial year beginning on or after 1 January 2023. The Group did not early adopt these amendments to MFRS and they are not expected to have a significant effect on its consolidated financial statements:

- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 and MFRS Practice Statement 2 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

## 2. SEASONAL / CYCLICAL FACTORS

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



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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

3. REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2022	QUARTER ENDED 31/12/2021	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
	RM'm	RM'm (Restated)	RM'm	RM'm (Restated)
Telecommunications services and solutions	2,075	1,996	8,208	7,932
Sale of devices	440	440	1,453	1,223
Revenue from contracts with customers	2,515	2,436	9,661	9,155
Interest revenue (a)	25	8	73	38
Lease income (b)	14	12	55	48
Total	<u>2,554</u>	<u>2,456</u>	<u>9,789</u>	<u>9,241</u>
Goods or services transferred:				
- at a point in time	734	761	2,691	2,575
- over time	1,781	1,675	6,970	6,580
Revenue from contracts with customers	<u>2,515</u>	<u>2,436</u>	<u>9,661</u>	<u>9,155</u>

(a) The Group offers devices in bundled contracts that allow customers to pay for the devices over a period of up to 36 months. The interest revenue represents the significant financing component of such contracts. This was presented as finance income in the previous financial period/year and is reclassified to revenue in the current financial period/year to provide more relevant revenue information.

(b) Lease income is recognised on a straight-line basis over the lease term.

4. UNUSUAL ITEMS

Save for those disclosed in Note 11, there were no other significant unusual items affecting the assets, liabilities, equity, net income or cash flows for the financial year ended 31 December 2022.



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

## 5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial year ended 31 December 2022, except for the change in estimated useful lives of computer software in the current quarter.

The above change in estimates has decreased the carrying value of intangible assets by RM12 million with a corresponding additional amortisation charge to statements of profit or loss for the current quarter and the financial year ended 31 December 2022.

## 6. DEBT AND EQUITY SECURITIES

Save for the below items, there were no other issuance, repurchase and repayment of debt or equity securities during the financial year ended 31 December 2022:

(a) The Group undertook the following transactions in relation to its RM10.0 billion Unrated Islamic Medium Term Notes (“Sukuk Murabahah”) Programme:

- (i) fully redeemed the third series with a nominal value of RM1,250 million upon maturity;
- (ii) issued the below Sukuk Murabahah series for a total nominal value of RM1,500 million to finance its capital expenditure and general working capital requirements:

Series	Tenure (years)	Maturity	Nominal value (RM'm)
Eleventh	5	January 2027	150
Twelfth	7	January 2029	600
Thirteenth	8	January 2030	350
Fourteenth	7	August 2029	200
Fifteenth	10	August 2032	200

(b) The Group fully repaid the remaining RM500 million of the RM1.0 billion term loan facility upon its maturity on 27 December 2022. Correspondingly, the underlying Interest Rate Swap (“IRS”) contract was fully settled on the same date.

(c) 3,877,700 ordinary shares were issued under the LTIP.



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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

## 7. DIVIDENDS PAID

The following single-tier tax exempt dividend payments were made during the financial year ended 31 December 2022:

	RM'm
In respect of the financial year ended 31 December 2021:	
- Fourth and special interim dividend of 4.0 sen and 1.0 respectively per ordinary share, paid on 31 March 2022	391
In respect of the financial year ended 31 December 2022:	
- First interim dividend of 5.0 sen per ordinary share, paid on 30 June 2022	391
- Second interim dividend of 5.0 sen per ordinary share, paid on 30 September 2022	392
- Third interim dividend of 5.0 sen per ordinary share, paid on 22 December 2022	392
	<hr/>
	1,566
	<hr/> <hr/>

## 8. 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 EBITDA (i.e. profit before finance income/costs, tax, depreciation, amortisation and allowance for write down of identified network costs) that is used by the chief operating decision-makers is on a Group basis.

## 9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the financial year ended 31 December 2022. As at 31 December 2022, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

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

- (a) On 19 January 2023, the Group issued additional Sukuk Murabahah in tranches for an aggregate nominal value of RM500 million to finance its capital expenditure and general working capital requirements:

Series	Tenure (years)	Maturity	Nominal value (RM'm)
Sixteenth	7	January 2030	200
Seventeenth	10	January 2033	300

- (b) On 20 January 2023, the Group announced to postpone the seeking of shareholders' approval for entry into an 5G access agreement with Digital Nasional Berhad ("DNB") until the 5G network implementation policy is finalised by the Government of Malaysia.



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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

#### 10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

- (c) On 14 February 2023, the Group had partially prepaid RM200 million of the Commodity Murabahah Term Financing facility, reducing the outstanding facility to RM1.74 billion.

#### 11. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) On 14 January 2022, the Group acquired the entire share capital of Enterprise Managed Services Sdn. Bhd. (formerly known as Mykris Asia Sdn. Bhd.) ("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 RM157.5 million which comprises a base consideration of up to RM115 million and subsequent payments of up to RM42.5 million payable over 3 years upon achieving certain financial performance targets. Acquisition related costs of RM2 million has been recognised as expenses in the statement of profit or loss in the previous financial year.

During the financial year to date, goodwill of RM101.3 million was recognised on EMS acquisition, considering the fair value of the purchase consideration above, and the fair values assigned to the assets and liabilities ensuing from the acquisition of RM16 million.

- (b) In line with the Group's commitment to foster innovation, the Group acquired the below ventures with a RM4 million goodwill recorded:
- (i) On 6 May 2022, the Group acquired 59% share capital of Gurulab Sdn. Bhd., a new Edutech startup for a cash consideration of RM4.2 million; and
  - (ii) On 30 June 2022, the Group acquired 56% share capital of ComeBy Sdn. Bhd., a retail solution company for a cash consideration of RM 4.5 million.

The acquisitions above did not have material impact to the Group's revenue and expenses for the financial year ended 31 December 2022.

Save for the above, there were no other changes in the composition of the Group during the financial year ended 31 December 2022.



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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

## 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Maxis Broadband Sdn. Bhd. ("MBSB"), a wholly owned subsidiary of the Company, was served with the below notices of additional assessment with penalties by Inland Revenue Board ("IRB"). MBSB has appealed and initiated legal proceedings to challenge the basis and validity of these additional assessments:

- (i) In November 2019, the IRB disallowed MBSB from its entitlement to incremental chargeable income exemption for Year of Assessment 2017. A notice of additional assessment of RM37.4 million was issued ("ICI Notice"). In July 2022, The Kuala Lumpur High Court ("High Court") granted leave for MBSB's judicial review application. Consequently, the stay of the enforcement of the ICI Notice is extended until the disposal of the judicial review hearing. In January 2023, the IRB has withdrawn its appeal to the Court of Appeal against the High Court's decision in granting the leave. The High Court had fixed the judicial review hearing on 9 March 2023;
- (ii) In November 2020, the IRB disallowed MBSB's deduction of interest expenses incurred for the Years of Assessment 2016 and 2017. Notices of additional assessment totalling RM140 million were issued ("2020 Notices"). The High Court had granted and subsequently extended the interim stay of the enforcement of the 2020 Notices until the disposal of hearing of MBSB's leave application challenging the 2020 Notices;
- (iii) In March 2021, the IRB disallowed MBSB's deduction of interest expenses incurred for the Years of Assessment 2018 and 2019. Notices of additional assessment totalling RM230 million were issued ("2021 Notices"). The High Court has granted and subsequently extended the interim stay of the enforcement of the 2021 Notices until the next case management; and
- (iv) In February 2022, the IRB disallowed MBSB's deduction of interest expenses incurred for the Year of Assessment 2020. Notice of additional assessment totalling RM107 million was initially issued ("2022 Notice") but subsequently reduced to RM104 million. The High Court has granted the interim stay of the enforcement of the 2022 Notice until the next case management.

The Directors are of the view that no provision is required in the condensed consolidated financial statements at this juncture based on the facts surrounding the above additional assessments received from the IRB and the legal view obtained from external legal counsel that there is sufficient evidence and case law to support MBSB's appeals and proceedings against the ICI Notice, 2020, 2021 and 2022 Notices.



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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**13. CAPITAL COMMITMENTS**

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

	RM'm
Property, plant and equipment	<u>488</u>

**14. SIGNIFICANT RELATED PARTY DISCLOSURES**

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

	Transactions for the financial year ended <u>31/12/2022</u> RM'm	Balances due from/(to) as at <u>31/12/2022</u> RM'm	Commitments as at <u>31/12/2022</u> RM'm	Total balances due from/(to) and commitments as at <u>31/12/2022</u> RM'm
<b>(a) Sales of goods and services to:</b>				
- MEASAT Broadcast Network Systems Sdn. Bhd. <sup>(1)</sup> (mobile and internet, business solutions, connectivity services to co-market and distribute content products)	150	9	-	9
- Saudi Telecom Company <sup>(2)</sup> (roaming and international calls)	7	1	-	1
- Maxis Communications Berhad <sup>(3)</sup> (corporate support services)	1	*	-	*
- TGV Cinemas Sdn. Bhd. <sup>(4)</sup> (mobile and internet, business solutions and other connectivity services)	4	4	-	4
- Astro Digital 5 Sdn. Bhd. <sup>(1)</sup> (mobile and internet, business solutions and other connectivity services)	1	-	-	-
- MEASAT Global Berhad Group <sup>(5)</sup> (mobile and internet, business solutions and other connectivity services)	1	-	-	-
- UTSB management Sdn Bhd <sup>(4)</sup> (mobile and internet, business solutions and other connectivity services)	1	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Less than RM1 million.



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14. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Transactions for the financial year ended <u>31/12/2022</u> RM'm	Balances due from/(to) as at <u>31/12/2022</u> RM'm	Commitments as at <u>31/12/2022</u> RM'm	Total balances due from/(to) and commitments as at <u>31/12/2022</u> RM'm
<b>(b) Purchases of goods and services</b>				
<b>from:</b>				
- MEASAT Broadcast Network Systems Sdn. Bhd. <sup>(1)</sup> (customer acquisition and installation charges)	18	-	-	-
- Saudi Telecom Company <sup>(2)</sup> (roaming and international calls)	7	-	-	-
- MEASAT Global Berhad Group <sup>(5)</sup> (transponder and teleport lease rental)	29	(13)	(21)	(34)
- Tanjong City Centre Property Management Sdn. Bhd. <sup>(4)</sup> (rental, service charge, property service and other utility charges)	41	-	(101)	(101)
- UTSB Management Sdn. Bhd. <sup>(4)</sup> (corporate management services)	29	(6)	(79)	(85)
- SRG Asia Pacific Sdn. Bhd. <sup>(6)</sup> (call handling and telemarketing services)	20	(6)	-	(6)

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.

<sup>(1)</sup> Subsidiary of a company which is an associate of UTSB

<sup>(2)</sup> A major shareholder of BGSM, as described above

<sup>(3)</sup> Subsidiary of BGSM

<sup>(4)</sup> Subsidiary of UTSB

<sup>(5)</sup> Indirect subsidiary of a company in which TAK has a 100% direct equity interest

<sup>(6)</sup> Company whereby TAK and/or a person connected to TAK has a deemed equity interest





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## 15. FAIR VALUE MEASUREMENTS

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 31 December 2022 except as set out below, measured using Level 3 valuation technique:

	<u>CARRYING AMOUNT</u> RM'm	<u>FAIR VALUE</u> RM'm
Financial liability:		
Borrowings		
- Islamic Medium Term Notes	4,789	4,834

### (b) Financial instruments carried at fair value

The following table represents the assets/liabilities measured at fair value, using the respective valuation techniques, as at 31 December 2022:

	<u>Level 2</u> RM'm	<u>Level 3</u> RM'm
<u>Assets</u>		
Financial assets at FVOCI	-	4
Derivative financial instruments (forward foreign exchange contracts)	*	-
<u>Liabilities</u>		
Other payables	-	20
Derivative financial instruments (forward foreign exchange contracts)	6	-

\* Less than RM1 million.



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16. ANALYSIS OF PERFORMANCE

Financial indicators (RM'm unless otherwise indicated)	4 <sup>th</sup> Quarter 2022 (unaudited)	3 <sup>rd</sup> Quarter 2022 (unaudited)	4 <sup>th</sup> Quarter 2021 (unaudited)	Variance Q4'22 vs Q3'22		Variance Q4'22 vs Q4'21		YTD		Variance YTD 2022 vs YTD 2021	
				RM'm	%	RM'm	%	2022	2021	RM'm	%
Revenue <sup>(2)</sup>	<b>2,554</b>	2,405	2,456	149	6.2	98	4.0	<b>9,789</b>	9,241	548	5.9
Service revenue <sup>(2)(3)</sup>	<b>2,114</b>	2,108	2,016	6	0.3	98	4.9	<b>8,336</b>	8,018	318	4.0
- Consumer business	<b>1,750</b>	1,721	1,617	29	1.7	133	8.2	<b>6,811</b>	6,500	311	4.8
- Enterprise business	<b>364</b>	387	399	(23)	(5.9)	(35)	(8.8)	<b>1,525</b>	1,518	7	0.5
EBITDA <sup>(1)(2)</sup>	<b>988</b>	1,006	932	(18)	(1.8)	56	6.0	<b>3,938</b>	3,876	62	1.6
EBITDA margin on service revenue (%) <sup>(2)</sup>	<b>46.7%</b>	47.7%	46.2%	NA	(1.0)	NA	0.5	<b>47.2%</b>	48.3%	NA	(1.1)
EBIT <sup>(2)(4)</sup>	<b>520</b>	576	487	(56)	(9.7)	33	6.8	<b>2,218</b>	2,213	5	0.2
Profit before tax	<b>409</b>	470	384	(61)	(13.0)	25	6.5	<b>1,811</b>	1,762	49	2.8
Profit after tax	<b>239</b>	315	289	(76)	(24.1)	(50)	(17.3)	<b>1,181</b>	1,308	(127)	(9.7)
Capital expenditure ("Capex")	430	272	597	158	58.1	(167)	(28.0)	<b>1,114</b>	1,187	(73)	(6.1)
Operating free cash flow <sup>(2)</sup>	<b>970</b>	812	1,192	158	19.5	(222)	(18.6)	<b>3,303</b>	3,763	(460)	(12.2)

<sup>(1)</sup> For reference purposes, the EBITDA is derived as below:

Profit before tax	<b>409</b>	470	384	(61)	(13.0)	25	6.5	<b>1,811</b>	1,762	49	2.8
Add / (less):											
- Depreciation and amortisation	<b>465</b>	427	435	38	8.9	30	6.9	<b>1,721</b>	1,649	72	4.4
- Finance costs	<b>120</b>	114	111	6	5.3	9	8.1	<b>437</b>	473	(36)	(7.6)
- Finance income	<b>(9)</b>	(8)	(8)	(1)	12.5	(1)	12.5	<b>(30)</b>	(22)	(8)	36.4
- Allowance for write down of identified network costs	<b>3</b>	3	10	-	-	(7)	(70)	<b>(1)</b>	14	(15)	(>100.0)
<b>EBITDA</b>	<b>988</b>	1,006	932	(18)	(1.8)	56	6.0	<b>3,938</b>	3,876	62	1.6

Notes:

<sup>(2)</sup> Comparative information has been restated as disclosed in Note 1 and 3.

<sup>(3)</sup> Service revenue is defined as Revenue excluding sale of devices.

<sup>(4)</sup> Defined as profit before finance income, finance costs and tax expenses.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

Connectivity related operational indicators	4 <sup>th</sup> Quarter 2022 (unaudited)	3 <sup>rd</sup> Quarter 2022 (unaudited)	4 <sup>th</sup> Quarter 2021 (unaudited)	Variance Q4'22 vs Q3'22		Variance Q4'22 vs Q4'21		YTD		Variance YTD 2022 vs YTD 2021	
				RM'm	%	RM'm	%	2022	2021	RM'm	%
<b>Consumer Business Revenue</b>	<b>1,750</b>	1,721	1,617	29	1.7	133	8.2	<b>6,811</b>	6,500	311	4.8
<b>Postpaid Revenue</b>	<b>850</b>	830	766	20	2.4	84	11.0	<b>3,275</b>	3,064	211	6.9
- Subscriptions ('000)	<b>3,343</b>	3,271	3,139	72	2.2	204	6.5	NA			
- ARPU (RM)	<b>79.2</b>	79.1	78.6	0.1	0.1	0.6	0.8	NA			
<b>Prepaid Revenue</b>	<b>681</b>	676	655	5	0.7	26	4.0	<b>2,693</b>	2,715	(22)	(0.8)
- Subscriptions ('000)	<b>5,785</b>	5,828	5,959	(43)	(0.7)	(174)	(2.9)	NA			
- ARPU (RM)	<b>39.4</b>	38.6	36.6	0.8	2.1	2.8	7.7	NA			
<b>Home Connectivity Revenue</b>	<b>219</b>	215	196	4	1.9	23	11.7	<b>843</b>	721	122	16.9
- Connections ('000)	<b>669</b>	652	591	17	2.6	78	13.2	NA			
- Fibre ARPU (RM)	<b>109.9</b>	109.9	112.6	-	-	(2.7)	(2.4)	NA			
<b>Enterprise Business Revenue</b>	<b>364</b>	387	399	(23)	(5.9)	(35)	(8.8)	<b>1,525</b>	1,518	7	0.5
- Enterprise BRNs ('000)	<b>90.7</b>	90.0	88.0	0.7	0.8	2.7	3.1	NA			

(A) Performance of the current quarter against the preceding quarter (Q4'22 vs Q3'22)

Service revenue grew 0.3% to RM2,114 million in Q4'22. The main growth drive in the quarter was Consumer Business, with increases across Postpaid, Prepaid and Home Connectivity revenue. This increase was attributed to the well-executed dual brand strategy, with Maxis attracting higher subscriptions from device-bundled plans and converged propositions, and Hotlink meeting the needs for affordable postpaid and prepaid. Prepaid subscribers were slightly offset by the decline post Jaringan Prihatin Program ("JPP"), though revenue remained higher quarter on quarter due to strong ARPU growth from HotlinkMU personalised promotions.



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## 16. ANALYSIS OF PERFORMANCE (CONTINUED)

### (A) Performance of the current quarter against the preceding quarter (Q4'22 vs Q3'22) (continued)

In Enterprise, Maxis reviewed the fixed and solutions product offering in Q4'22 to focus on higher margin products, consequently impacting 5.9% decline in revenue.

EBITDA decreased by RM18 million (1.8%) due to the usual promotion for newly launched devices in Q4'22, resulting in a higher take-up of device-bundled packages and hence higher device costs. Profit before tax and profit after tax decreased by RM61 million (13.0%) and RM76 million (24.1%) respectively due to the consequential decline from EBITDA, along with higher depreciation and amortisation expenses in the current quarter.

Total capex for the current quarter was RM430 million, in-line with normal phasing of capex.

Operating free cash flow increased 19.5% to RM970 million mainly due to the scheduled payments to suppliers, as anticipated in the previous quarter.

### (B) Performance of the current quarter against the preceding year corresponding quarter (4<sup>th</sup> Quarter 2022 versus 4<sup>th</sup> Quarter 2021)

Year-on-year, service revenue grew 4.9% in Q4'22, mainly driven by growth in Consumer Business revenue. In Postpaid and Home Connectivity, this was mainly driven by higher subscriptions for device-bundled plans, converged propositions for the home, and entry-level postpaid plans, offset by the slight decline in wireless broadband as consumers transition to fibre connectivity. Though prepaid subscribers declined due to a periodic clean-up of subscribers as well as the effects post JPP, Prepaid revenue remained higher due to strong ARPU growth from HotlinkMU personalised promotions.

In Enterprise, Maxis reviewed the fixed and solutions product offering in Q4'22 to focus on higher margin products, consequently impacting 8.8% decline in revenue.

EBITDA increased 6.0% to RM988 million, contributed from an increase in revenue, offset by higher allowance for doubtful debts that has normalised to pre-pandemic levels. In line with the increase in EBITDA, profit before tax increased 6.5% to RM409 million, though offset by higher amortisation costs for the 2600MHz spectrum secured in year 2022. Profit after tax declined by 17.3% year-on-year due to the one-off increase in corporate tax rate to 33% on chargeable income that exceeds RM100 million for YA2022 (Prosperity Tax).



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## 16. ANALYSIS OF PERFORMANCE (CONTINUED)

### (B) Performance of the current quarter against the preceding year corresponding quarter (4<sup>th</sup> Quarter 2022 versus 4<sup>th</sup> Quarter 2021) (continued)

Operating free cash flow decreased 18.6% mainly due to scheduled payments to MCMC for the Universal Service Provision Program and payments for Prosperity Tax, as described above.

Capex spend peaked in Q4'21 due to the increased investments in 4G capacity leading up to the 3G sunset in early part of year 2022, hence the proportionately lower capex spend in Q4'22.

### (C) Performance of the current year against the preceding year (Financial Year (“FY”) 2022 versus FY2021)

Service revenue in FY2022 grew 4.0% higher on the back of stable performance across both Consumer and Enterprise Business.

The growth in Consumer converged revenue was attributed to the well-executed dual brand strategy, Maxis and Hotlink, driving growth in subscriber numbers for Postpaid and Home Connectivity. While Prepaid subscriber numbers are slightly lower due to the periodic clean-up and effects post JPP, Prepaid ARPU grew on the back of HotlinkMU personalised promotions, hence making up for stable revenue year-on-year.

Enterprise converged revenue is steady, growing 0.5% year-on-year, mainly supported by the growth in core Enterprise mobile connectivity, slightly offset by the shift to review fixed and solutions product offering in Q4'22 to focus on higher margin products.

EBITDA was steady at 1.6% growth year-on-year, attributed by the growth in revenue, offset by higher device costs due to the increased sale of contracted device-bundled Postpaid packages. Furthermore, Maxis invested in resource capabilities to drive convergence revenue growth, hence increasing resource costs in FY22, as well as observing allowance for doubtful debt returning to pre-pandemic levels. In line with a steady EBITDA but offset by an increased amortisation costs for the 2600MHz spectrum secured in FY22, profit before tax grew 2.8% to RM1,811 million in FY22. Profit after tax was down 9.7% due to the effect of Prosperity Tax.

Operating free cash flow decreased 12.2% to RM3,303 million due to the payments for Prosperity Tax, and variations in cash payment profile for capex spend and government grants received.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(D) STATEMENT OF FINANCIAL POSITION

Financial indicators (RM'm unless otherwise indicated)	AS AT 31/12/2022	AS AT 31/12/2021
Total assets	23,045	22,443
Equity attributable to equity owner of the Company	6,369	6,725
Debt <sup>(1)</sup>	9,865	10,098
Deposits, cash and bank balances	(628)	(1,191)
Net debt	9,237	8,907
Net debt-to-EBITDA <sup>(2)</sup>	2.35	2.30

Notes:

<sup>(1)</sup> Debt includes derivative financials instruments designated for hedging relationship on borrowings.

<sup>(2)</sup> Comparative information has been restated

The lower equity position to RM6,369 million is mainly due to dividend distribution for year ended 31 December 2022.

Net debt-to-EBITDA increased from 2.30x as at 31 December 2021 to 2.35x as at 31 December 2022 as a result of higher net debt position.



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**17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 (“FY2023”)**

**FY2023 financial outlook**

Our guidance for the financial year ending 31 December 2023 is for a flat to low single digit increase in service revenue.

In January 2023, the Government of Malaysia announced that it will be reviewing the rollout of the national 5G network, and expect that the 5G network implementation policy to be tabled before the cabinet by the end of first quarter of 2023. Accordingly, the Group believes it is prudent to postpone the seeking of shareholders’ approval for entry into the 5G Access Agreement with Digital Nasional Berhad (“DNB”) as previously announced on 2 November 2022 until the 5G network implementation policy is finalised.

Maxis remains focused and confident in our convergence strategy and committed to bringing 5G to the nation in line with the Government’s digital ambitions. Our track record of offering mobile and fibre converged services demonstrates that our convergence strategy is delivering results. Our differentiated network, service, innovative offerings and the resilience of our people have delivered sustainable results.

**18. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**19. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS**

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2021.



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**20. PROFIT BEFORE TAX**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2022	QUARTER ENDED 31/12/2021	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
	RM'm	RM'm	RM'm	RM'm
Fair value loss/(gains) on forward foreign exchange contracts	1	1	(11)	(3)
(Gain)/losses on foreign exchange (net)	(4)	1	5	4
Property, plant and equipment:				
- (losses)/gain on disposal	(*)	(*)	(*)	1
- impairment losses/write-offs (net)	3	15	11	31

\* Less than RM1 million.

Other than as presented in the statements of profit or loss and as disclosed above, there were no material gains/losses on disposal of quoted and unquoted investments or properties and other exceptional items for the current quarter and financial year ended 31 December 2022.

**21. TAX EXPENSES**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2022	QUARTER ENDED 31/12/2021	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
	RM'm	RM'm	RM'm	RM'm
Income tax				
- current tax	106	45	559	268
- over accrual in prior years	(2)	(5)	(2)	(5)
Deferred tax:				
- origination and reversal of temporary differences	66	55	73	191
- recognition and reversal of prior years' temporary differences	(*)	3	(*)	3
- changes in tax rate	-	(3)	-	(3)
<b>Total</b>	<b>170</b>	<b>95</b>	<b>630</b>	<b>454</b>

The Group's effective tax rate for the current quarter and financial year ended 31 December 2022 was 41.6% and 34.8% respectively which is above the statutory tax rate of 24% as the Group is impacted by the one-off increase in corporate tax to 33% on chargeable income that exceeds RM100 million for year of assessment 2022.





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## 22. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at the date of this report.

## 23. BORROWINGS

RM denominated	AS AT 31 DECEMBER 2022			AS AT 31 DECEMBER 2021		
	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm
<b>Secured</b>						
Lease liabilities	283	1,755	2,038	262	1,762	2,024
<b>Unsecured</b>						
Term loans <sup>(1)</sup>	-	594	594	500	593	1,093
Commodity Murabahah						
Term Financing	-	1,944	1,944	-	1,943	1,943
Islamic Medium						
Term Notes	-	4,789	4,789	1,272	3,259	4,531
Business Financing-i	-	500	500	-	499	499
	283	9,582	9,865	2,034	8,056	10,090
Excluding lease liabilities:						
- weighted average interest rate			4.02%			3.76%
- proportion of borrowings between fixed and floating interest rates			61% : 39%			62% : 38%

Note:

<sup>(1)</sup> The term loans were partially hedged using Interest Rate Swap ("IRS") as at 31 December 2021.

Material changes to borrowings for the financial year ended 31 December 2022 are disclosed in Note 6.



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**24. DERIVATIVE FINANCIAL INSTRUMENTS**

(a) Details of derivative financial instruments outstanding as at 31 December 2022 are set out below:

TYPE OF DERIVATIVE	CONTRACT/ NOTIONAL VALUE RM'm	FAIR VALUE RM'm
<u>Current assets</u>		
Derivatives designated in hedging relationship (cash flow hedge):		
Forward foreign exchange contracts	2	*
Derivatives not designated in hedging relationship:		
Forward foreign exchange contracts	6	*
	8	*
<u>Current liabilities</u>		
Derivatives designated in hedging relationship (cash flow hedge):		
Forward foreign exchange contracts	138	(5)
Derivatives not designated in hedging relationship:		
Forward foreign exchange contracts	83	(1)
	221	(6)
	229	(6)

\* Less than RM1 million.

There have been no changes since the end of the previous financial year ended 31 December 2021 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives;
- (ii) the cash requirements of the derivatives except for the full settlement of IRS as disclosed in Note 6;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies.



MAXIS BERHAD

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(INCORPORATED IN MALAYSIA)

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BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

25. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	AS AT 31/12/2022 <u>RM'm</u>	AS AT 31/12/2021 <u>RM'm</u> (Restated)
<u>Non-current assets</u>		
At net of impairment:		
- Trade receivables	334	137
- Finance lease receivables	1	*
- Contract assets	45	63
Deposits	164	153
Prepayments	541	601
Contract cost assets, net of amortisation	141	114
	<u>1,226</u>	<u>1,068</u>
<u>Current assets</u>		
At net of impairment:		
- Trade receivables	1,080	879
- Other receivables and deposit	573	193
- Finance lease receivables	*	9
- Contract assets	187	203
Prepayments	139	204
Contract cost assets, net of amortisation	157	166
	<u>2,136</u>	<u>1,654</u>
	<u>3,362</u>	<u>2,722</u>

\* Less than RM1 million.

The Group's credit policy provides trade receivables with credit periods of up to 120 days. In addition, selected eligible customers are allowed to purchase devices under bundled contracts on monthly installment schemes of up to 36 months.



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**25. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)**

The ageing analysis of the Group's gross trade receivables as at 31 December 2022 is as follows:

	RM'm
Current	1,350
1 to 90 days past due	121
More than 90 days past due	91
	<hr/>
	<u>1,562</u>

**26. MATERIAL LITIGATION**

There is no material litigation as at the date of this report.

**27. DIVIDENDS**

The Board of Directors has declared a fourth interim single-tier tax-exempt dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2022, to be paid on 30 March 2023. The entitlement date for the dividend payment is 10 March 2023.

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

- (i) shares transferred to the depositor's securities account before 4.30 pm on 10 March 2023 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividends declared for the financial year ended 31 December 2022 is 20 sen per ordinary share (2021: 17.0 sen).



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28. EARNINGS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/12/2022	QUARTER ENDED 31/12/2021	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021
<b>(a) Basic earnings per share</b>					
Profit attributable to the equity holders of the Company	(RM'm)	<u>240</u>	<u>289</u>	<u>1,182</u>	<u>1,308</u>
Weighted average number of issued ordinary shares	('m)	<u>7,830</u>	<u>7,826</u>	<u>7,828</u>	<u>7,825</u>
Basic earnings per share	(sen)	<u>3.1</u>	<u>3.7</u>	<u>15.1</u>	<u>16.7</u>
<b>(b) Diluted earnings per share</b>					
Profit attributable to the equity holders of the Company	(RM'm)	<u>240</u>	<u>289</u>	<u>1,182</u>	<u>1,308</u>
Weighted average number of issued ordinary shares	('m)	<u>7,830</u>	<u>7,826</u>	<u>7,828</u>	<u>7,825</u>
Adjusted for LTIP	('m)	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Adjusted weighted average number of ordinary shares	('m)	<u>7,834</u>	<u>7,830</u>	<u>7,832</u>	<u>7,829</u>
Diluted earnings per share	(sen)	<u>3.1</u>	<u>3.7</u>	<u>15.1</u>	<u>16.7</u>

By order of the Board

Dipak Kaur

SSM PC No. 201908002620

(LS 5204)

Company Secretary

23 February 2023

Kuala Lumpur