



MAXIS BERHAD

Company No. (200901024473 (867573-A))

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 2023 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 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	+
		31/12/2023	31/12/2022		31/12/2023	31/12/2022	
RM'm	RM'm	%	RM'm	RM'm	%		
			(Restated)		(Restated)		
Revenue	3	2,742	2,554	7.4	10,180	9,789	4.0
Traffic, device, commissions and other direct costs		(1,175)	(1,047)		(4,031)	(3,831)	
Spectrum licence fees		(62)	(63)		(247)	(259)	
Network costs		(136)	(123)		(557)	(518)	
Staff and resource costs		(201)	(216)		(880)	(813)	
Operation and maintenance costs		(126)	(109)		(428)	(394)	
Marketing costs		(38)	(52)		(163)	(189)	
Impairment of receivables and deposits, net		(26)	(22)		(129)	(107)	
Government grant and other income		82	74		247	301	
Other operating expenses		(162)	(13)		(199)	(49)	
Depreciation and amortisation		(609)	(465)		(1,903)	(1,721)	
Finance income		9	9		27	30	
Finance costs		(120)	(120)		(473)	(437)	
Profit before tax	20	178	407	(56.3)	1,444	1,802	(19.9)
Tax expenses	21	(122)	(175)		(452)	(651)	
Profit for the period/year		56	232	(75.9)	992	1,151	(13.8)
Attributable to:							
- equity holders of the Company		56	233	(76.0)	993	1,152	(13.8)
- non-controlling interests		(*)	(1)		(1)	(1)	
		56	232		992	1,151	
Earnings per share attributable to equity holders of the Company (sen):							
- basic	28	0.7	3.0		12.7	14.7	
- diluted	28	0.7	3.0		12.7	14.7	

Note:

* Less than RM1 million.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2023	QUARTER ENDED 31/12/2022	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022
	RM'm	RM'm (Restated)	RM'm	RM'm (Restated)
Profit for the period/year	56	232	992	1,151
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Net change in cash flow hedge	(4)	(8)	2	3
Total comprehensive income for the period/year	52	224	994	1,154
Attributable to:				
- equity holders of the Company	52	225	995	1,155
- non-controlling interests	(*)	(1)	(1)	(1)
	52	224	994	1,154

Note:

* Less than RM1 million.



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 31/12/2023 RM'm	AS AT 31/12/2022 RM'm (Restated)
Non-current assets			
Property, plant and equipment	9	5,384	5,639
Intangible assets ⁽¹⁾		11,193	11,507
Right-of-use assets ("ROU")		1,826	1,887
Financial assets at fair value through other comprehensive income ("FVOCI")		4	4
Receivables, deposits and prepayments	25	1,333	1,226
Deferred tax assets		*	1
		<u>19,740</u>	<u>20,264</u>
Current assets			
Inventories		22	8
Receivables, deposits and prepayments	25	2,435	2,136
Amounts due from related parties		15	9
Derivative financial instruments	24	-	*
Tax recoverable		-	*
Deposits, cash and bank balances		569	628
		<u>3,041</u>	<u>2,781</u>
Total assets		<u>22,781</u>	<u>23,045</u>
Current liabilities			
Provisions for liabilities and charges		160	144
Payables and accruals		4,126	4,176
Amounts due to related parties		11	32
Borrowings	23	857	283
Derivative financial instruments	24	3	6
Taxation		265	171
		<u>5,422</u>	<u>4,812</u>
Net current liabilities		<u>(2,381)</u>	<u>(2,031)</u>

Notes:

⁽¹⁾ Includes intangible assets arising from business combination comprising goodwill and telecommunications licenses of RM9,687 million (2022: RM9,687 million), spectrum rights of RM1,099 million (2022: RM1,218 million) and customer relationships of RM3 million (2022: RM8 million)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	AS AT 31/12/2023 RM'm	AS AT 31/12/2022 RM'm (Restated)
Non-current liabilities			
Provisions for liabilities and charges		396	366
Payables and accruals		499	385
Deferred income		1,147	913
Borrowings	23	8,915	9,582
Deferred tax liabilities		658	896
		<u>11,615</u>	<u>12,142</u>
Net assets		<u>5,744</u>	<u>6,091</u>
Equity			
Share capital		2,593	2,585
Reserves		3,150	3,504
Equity attributable to equity owners of the Company		<u>5,743</u>	<u>6,089</u>
Non-controlling interests		1	2
Total equity		<u>5,744</u>	<u>6,091</u>
Net assets per share attributable to equity holders of the company (RM)		<u>0.73</u>	<u>0.78</u>



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

← Attributable to equity holders of the Company →

Year ended 31/12/2023	Note	Attributable to equity holders of the Company					Total	Non-controlling interest	Total equity
		Share Capital	Merger relief ⁽²⁾	Reserve arising from reverse acquisition	Other reserves	Retained earnings			
		RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
At 1/1/2023, as previously reported		2,585	22,729	(22,729)	72	3,712	6,369	2	6,371
Restatement of comparatives		-	-	-	-	(280)	(280)	-	(280)
Restated at 1/1/2023		2,585	22,729	(22,729)	72	3,432	6,089	2	6,091
Profit for the year		-	-	-	-	993	993	(1)	992
Other comprehensive income for the year		-	-	-	2	-	2	-	2
Total comprehensive income for the year		-	-	-	2	993	995	(1)	994
Dividends provided for or paid	7	-	-	-	-	(1,331)	(1,331)	-	(1,331)
Long-term Incentive Plan ("LTIP") and Incentive arrangement									
- shares issued		8	-	-	(8)	-	-	-	-
- shares-based payment expense		-	-	-	(9)	-	(9)	-	(9)
- shares disposed		-	-	-	4	(1)	3	-	3
- shares acquired		-	-	-	(4)	-	(4)	-	(4)
Dilution of interest in a subsidiary	11	-	-	-	-	(*)	(*)	*	-
At 31/12/2023		2,593	22,729	(22,729)	57	3,093	5,743	1	5,744

Notes:

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

* Less than RM1 million.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

← Attributable to equity holders of the Company →

Year ended 31/12/2022	Note	Share Capital	Merger relief ⁽²⁾	Reserve arising from reverse acquisition	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
		RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/1/2022, as previously reported		2,564	22,729	(22,729)	64	4,097	6,725	-	6,725
Restatement of comparatives		-	-	-	-	(250)	(250)	-	(250)
Restated at 1/1/2022		2,564	22,729	(22,729)	64	3,847	6,475	-	6,475
Profit for the year		-	-	-	-	1,152	1,152	(1)	1,151
Other comprehensive income for the year		-	-	-	3	-	3	-	3
Total comprehensive income for the year		-	-	-	3	1,152	1,155	(1)	1,154
Dividends provided for or paid		-	-	-	-	(1,566)	(1,566)	-	(1,566)
LTIP and Incentive arrangement									
- shares issued		21	-	-	(21)	-	-	-	-
- shares-based payment expense		-	-	-	32	-	32	-	32
- share acquired		-	-	-	(7)	-	(7)	-	(7)
- share disposed		-	-	-	1	(1)	-	-	-
Acquisition of non-controlling interests		-	-	-	-	-	-	3	3
At 31/12/2022		2,585	22,729	(22,729)	72	3,432	6,089	2	6,091

Note:

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



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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022
	RM'm	RM'm (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	992	1,151
Adjustments for:		
- non-cash items	2,407	2,095
- finance costs	473	437
- finance income	(27)	(30)
- tax expenses	452	651
Government grant relating to costs	61	99
Payments for provision for liabilities and charges	(117)	(131)
Operating cash flows before working capital changes	4,241	4,272
Changes in working capital	(820)	(594)
Cash flows from operations	3,421	3,678
Interest received	27	30
Tax paid	(595)	(405)
Tax refund	-	*
Net cash flows from operating activities	2,853	3,303
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,141)	(1,720)
Consideration paid for business combinations	(13)	(111)
Government grant relating to the purchase of assets	391	535
Proceeds from disposal of property, plant and equipment	2	*
Placement of deposits with maturity of more than three months	(2)	*
Net cash flows used in investing activities	(763)	(1,296)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	1,400	1,500
Repayment of borrowings	(1,440)	(1,750)
Repayment of lease liabilities	(322)	(320)
Payments of finance costs	(457)	(428)
Ordinary share dividends paid	(1,331)	(1,566)
Shares acquired pursuant to incentive arrangement	(4)	(7)
Disposal of shares pursuant to incentive arrangement	3	1
Net cash flows used in financing activities	(2,151)	(2,570)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(61)	(563)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	601	1,164
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR⁽³⁾	540	601

Notes:

⁽³⁾ 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 2023

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 2022 (“FY2022”).

The significant accounting policies and methods of computation adopted for the quarterly report are consistent with those adopted for the audited financial statements for FY2022, except as disclosed as follows:

License holders are required to make contributions to the Universal Service Provision Fund (“USP Fund”) on an annual basis, calculated based on 6% of its weighted net revenue derived from designated services for the previous year. During the year, the cumulative accrual of contribution to the USP Fund is reassessed.

The impact of the above adjustments to the Group’s statements of financial position and statements of profit or loss for the prior financial years are follows:

Statements of Financial Position

	<u>As previously reported</u> RM'million	<u>Adjustments</u> RM'million	<u>Restated</u> RM'million
At 31 December 2022			
Current liabilities – payables and accruals	3,807	369	4,176
Non-current liabilities – deferred tax liabilities	985	(89)	896
Equity – retained earnings	3,712	(280)	3,432
At 1 January 2022			
Current liabilities – payables and accruals	3,527	360	3,887
Non-current liabilities – deferred tax liabilities	908	(110)	798
Equity – retained earnings	4,097	(250)	3,847



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

1. BASIS OF PREPARATION (CONTINUED)

Statements of Profit and Loss and Comprehensive Income

	For the quarter ended 31 December 2022			For the year ended 31 December 2022		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Traffic, device, commissions and other direct costs	(1,045)	(2)	(1,047)	(3,822)	(9)	(3,831)
Profit before tax	409	(2)	407	1,811	(9)	1,802
Tax expenses	(170)	(5)	(175)	(630)	(21)	(651)
Profit after tax	239	(7)	232	1,181	(30)	1,151
Total comprehensive income	231	(7)	224	1,184	(30)	1,154
Profit after tax attributable to the equity holders of the Company	240	(7)	233	1,182	(30)	1,152
Total comprehensive income attributable to the equity holders of the Company	232	(7)	225	1,185	(30)	1,155
Earnings per share attributable to equity holders of the Company (sen):						
- basic	3.1	(0.1)	3.0	15.1	(0.4)	14.7
- diluted	3.1	(0.1)	3.0	15.1	(0.4)	14.7



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

1. BASIS OF PREPARATION (CONTINUED)

There is no change in net cash flows from operating, investing and financing activities for the quarter and the financial year ended 31 December 2022.

Other than above, the Group has adopted the following amendments to MFRS that came into effect on 1 January 2023 which did not have any significant impact on the unaudited quarterly report upon their application.

- | | |
|--|--|
| • 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 |

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 2024. 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 | Non-current Liabilities with Covenants |
| • Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements |

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 31/12/2023	QUARTER ENDED 31/12/2022	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022
	RM'm	RM'm	RM'm	RM'm
Telecommunications services and solutions	2,150	2,075	8,378	8,208
Sale of devices	540	440	1,608	1,453
Revenue from contracts with customers	2,690	2,515	9,986	9,661
Interest revenue (a)	38	25	139	73
Lease income (b)	14	14	55	55
Total	<u>2,742</u>	<u>2,554</u>	<u>10,180</u>	<u>9,789</u>
Goods or services transferred:				
- at a point in time	838	734	2,753	2,691
- over time	1,852	1,781	7,233	6,970
Revenue from contracts with customers	<u>2,690</u>	<u>2,515</u>	<u>9,986</u>	<u>9,661</u>

(a) The interest revenue represents the significant financing component of device-bundled plans that allow customers to pay for the devices over a period of up to 36 months.

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

4. UNUSUAL ITEMS

Save for the write off of property, plant and equipment and intangible as disclosed in Note 20 as well as those disclosed in Note 5 and 21, there were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows for the financial year ended 31 December 2023.

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 2023, except for change in useful lives of certain telecommunications equipment and software which resulted in an increase in depreciation and amortization by RM168 million for the financial year ended 31 December 2023.



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

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 2023:

- (a) The Group issued the following series for a total nominal value of RM1,400 million in relation to its RM10.0 billion Unrated Islamic Medium Term Notes (“Sukuk Murabahah”) Programme 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
Eighteenth	5	April 2028	700
Nineteenth	7	April 2030	200

- (b) The Group had partially prepaid RM1,440 million of the Commodity Murabahah Term Financing facility, reducing the outstanding facility to RM500 million.

- (c) 1,928,400 ordinary shares were issued under the LTIP.

7. DIVIDENDS PAID

The following single-tier tax exempt dividend payments were made during the financial year ended 31 December 2023:

	RM'm
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
	<hr/>
	1,331
	<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 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.

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the financial year ended 31 December 2023. As at 31 December 2023, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.



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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

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

11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) On 15 June 2023, Maxis Mobile (L) Ltd ("MML"), a wholly-owned subsidiary of the Company was fully wound up. The dissolution of MML does not have any material impact or effect on the business operations, earnings and net assets of the Group for the financial year ended 31 December 2023.

(b) The Group diluted its equity interests in Gurulab Sdn. Bhd ("GSB") from 59% to 56% following the issuance of new ordinary shares by GSB. The dilution did not have any material impact to the Group for the financial year ended 31 December 2023.

Save for the above, there were no other changes in the composition of the Group during the financial year ended 31 December 2023.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

13. CAPITAL COMMITMENTS

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

Property, plant and equipment

RM'm

478



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

14. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	Transactions for the financial year ended 31/12/2023 RM'm	Balances due from/(to) as at 31/12/2023 RM'm	Commitments as at 31/12/2023 RM'm	Total balances due from/(to) and commitments as at 31/12/2023 RM'm
(a) Sales of goods and services to:				
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (mobile and internet, business solutions, connectivity services to co-market and distribute content products)	125	14	-	14
- Saudi Telecom Company ⁽²⁾ (roaming and international calls)	7	4	-	4
- Maxis Communications Berhad ⁽³⁾ (corporate support services)	1	*	-	*
- TGV Cinemas Sdn. Bhd. ⁽⁴⁾ (mobile and internet, business solutions and other connectivity services)	5	4	-	4
- Astro Digital 5 Sdn. Bhd. ⁽¹⁾ (mobile and internet, business solutions and other connectivity services)	1	*	-	*
- MEASAT Global Berhad Group ⁽⁵⁾ (mobile and internet, business solutions and other connectivity services)	2	-	-	-
- UTSB management Sdn Bhd ⁽⁴⁾ (mobile and internet, business solutions and other connectivity services)	3	*	-	*

* Less than RM1 million.



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

14. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Transactions for the financial year ended <u>31/12/2023</u> RM'm	Balances due from/(to) as at <u>31/12/2023</u> RM'm	Commitments as at <u>31/12/2023</u> RM'm	Total balances due from/(to) and commitments as at <u>31/12/2023</u> RM'm
(b) Purchases of goods and services				
from:				
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (customer acquisition and installation charges)	11	-	-	-
- Saudi Telecom Company ⁽²⁾ (roaming and international calls)	8	-	-	-
- MEASAT Global Berhad Group ⁽⁵⁾ (transponder and teleport lease rental)	30	(3)	(57)	(60)
- Tanjong City Centre Property Management Sdn. Bhd. ⁽⁴⁾ (rental, service charge, property service and other utility charges)	42	-	(87)	(87)
- UTSB Management Sdn. Bhd. ⁽⁴⁾ (corporate management services)	18	-	(9)	(9)
- SRG Asia Pacific Sdn. Bhd. ⁽⁶⁾ (call handling and telemarketing services)	20	(4)	-	(4)

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⁾ Subsidiary of BGSM

⁽⁴⁾ Subsidiary of UTSB

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

⁽⁶⁾ 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 2023 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	6,206	6,215

(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 2023:

	<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	-	25
Derivative financial instruments (forward foreign exchange contracts)	3	-



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16. ANALYSIS OF PERFORMANCE

Financial indicators (RM'm unless otherwise indicated)	4 th Quarter 2023	3 rd Quarter 2023	4 th Quarter 2022	Variance Q4'23 vs Q3'23		Variance Q4'23 vs Q4'22		YTD		Variance YTD 2023 vs YTD 2022	
				RM'm	%	RM'm	%	2023	2022	RM'm	%
Revenue	2,742	2,442	2,554	300	12.3	188	7.4	10,180	9,789	391	4.0
Service revenue ⁽²⁾	2,202	2,145	2,114	57	2.7	88	4.2	8,572	8,336	236	2.8
- Consumer business	1,801	1,765	1,750	36	2.0	51	2.9	7,064	6,811	253	3.7
- Enterprise business	401	380	364	21	5.5	37	10.2	1,508	1,525	(17)	(1.1)
EBITDA ⁽¹⁾⁽⁴⁾	1,057	929	986	128	13.8	71	7.2	3,960	3,929	31	0.8
EBITDA margin on service revenue (%)	48.0%	43.3%	46.6%	NA	4.7	NA	1.4	46.2%	47.1%	NA	(0.9)
EBIT ⁽³⁾⁽⁴⁾	289	492	518	(203)	(41.3)	(229)	(44.2)	1,890	2,209	(319)	(14.4)
EBIT margin on service revenue (%)	13.1%	22.9%	24.5%	NA	(9.8)	NA	(11.4)	22.0%	26.5%	NA	(4.5)
Profit before tax	178	384	407	(206)	(53.6)	(229)	(56.3)	1,444	1,802	(358)	(19.9)
Profit after tax	56	287	232	(231)	(80.5)	(176)	(75.9)	992	1,151	(159)	(13.8)
Capital expenditure ("Capex")	302	215	430	87	40.5	(128)	(29.8)	813	1,114	(301)	(27.0)
Operating free cash flow ("OFCF")	665	1,057	970	(392)	(37.1)	(305)	(31.4)	2,853	3,303	(450)	(13.6)

⁽¹⁾ For reference purposes, the EBITDA is derived as below:

Profit before tax ⁽⁴⁾	178	384	407	(206)	(53.6)	(229)	(56.3)	1,444	1,802	(358)	(19.9)
Add / (less):											
- Depreciation and amortisation	609	432	465	177	41.0	144	31.0	1,903	1,721	182	10.6
- Finance costs	120	113	120	7	6.2	-	-	473	437	36	8.2
- Finance income	(9)	(5)	(9)	(4)	80.0	-	-	(27)	(30)	3	(10.0)
- Gain on disposal of:											
Non-current asset	-	(*)	(*)	*	NA	NA	NA	(1)	(*)	(1)	NA
Right-of-use	-	(*)	(*)	*	NA	NA	NA	(1)	(12)	11	(91.7)
- Impairment of goodwill	2	-	-	2	>100	2	>100	2	-	2	>100
- Allowance for write down of identified network costs	157	5	3	152	>100	154	>100	167	11	156	>100
EBITDA ⁽⁴⁾	1,057	929	986	128	13.8	71	7.2	3,960	3,929	31	0.8

Notes:

⁽²⁾ Service revenue is defined as Revenue excluding sale of devices.

⁽³⁾ Defined as profit before finance income, finance costs and tax expenses.

⁽⁴⁾ Comparative information has been restated as disclosed in Note 1

* Less than RM1 million.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

Connectivity related operational indicators	4 th Quarter 2023	3 rd Quarter 2023	4 th Quarter 2022	Variance Q4'23 vs Q3'23		Variance Q4'23 vs Q4'22		YTD		Variance YTD 2023 vs YTD 2022	
				RM'm	%	RM'm	%	2023	2022	RM'm	%
Consumer Business Revenue	1,801	1,765	1,750	36	2.0	51	2.9	7,064	6,811	253	3.7
<u>Postpaid Revenue</u>	903	882	850	21	2.4	53	6.2	3,520	3,275	245	7.5
- Subscriptions ('000)	3,598	3,533	3,343	65	1.8	255	7.6	NA	NA	NA	NA
- ARPU (RM)	76.5	76.8	79.2	(0.3)	(0.4)	(2.7)	(3.4)	NA	NA	NA	NA
<u>Prepaid Revenue</u>	655	652	681	3	0.5	(26)	(3.8)	2,619	2,693	(74)	(2.7)
- Subscriptions ('000)	5,875	5,682	5,785	193	3.4	90	1.6	NA	NA	NA	NA
- ARPU (RM)	37.9	38.1	39.4	(0.2)	(0.5)	(1.5)	(3.8)	NA	NA	NA	NA
<u>Home Connectivity Revenue</u>	243	231	219	12	5.2	24	11.0	925	843	82	9.7
- Connections ('000)	750	730	669	20	2.7	81	12.1	NA	NA	NA	NA
- Home blended ARPU (RM)*	109.3	109.5	109.9	(0.2)	(0.2)	(0.6)	(0.5)	NA	NA	NA	NA
Enterprise Business Revenue	401	380	364	21	5.5	37	10.2	1,508	1,525	(17)	(1.1)

* Inclusive of fibre and Wireless Broadband ("WBB")



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(A) Performance of the current quarter against the preceding quarter (Q4'23 vs Q3'23)

Total revenue in the current quarter Q4'23 was higher versus preceding quarter Q3'23, on the back of growth across both service revenue and device revenue. Consumer postpaid grew 2.4% to RM903 million, underpinned by the 1.8% growth in subscribers, as the wider range of postpaid plans attracted a wider segment of customers. Consumer prepaid grew 0.5% to RM655 million while prepaid subscribers grew 3.4%, boosted by seasonal upsides in Q4'23. In Q4'23, Maxis has achieved 750,000 home connections, while consumer home connectivity revenue grew 5.2% to RM243 million as we see fixed-mobile convergence proposition gaining traction. Enterprise revenue grew mostly on the back of project delivery completions for fixed connectivity solutions, as well as the 2G and 4G wholesale arrangement, per our announcement on Bursa Malaysia dated 23 June 2023.

EBITDA was up 13.8% quarter-on-quarter, in line with the 12.3% increase in total revenue, noting that Q3'23 EBITDA was affected by the manpower optimisation cost. EBIT and profit before tax in Q4'23 was impacted by the reduction in useful lives and assets written off, pertaining to certain telecommunication equipment and software. Excluding these adjustments, the increase in EBITDA, EBIT and profit before tax would be 5.1%, 6.2% and 6.9% respectively. Profit after tax for Q4'23 was further impacted by the tax settlement of RM73 million, as explained in Note 21 of this report. Excluding the adjustments, the increase in profit after tax would be 4.7%.

Capex spending increase in Q4'23 as we focused our investments in supporting capacity growth. OFCF was lower in Q4'23 due to payments made for the tax settlement, and advance payment made to Digital Nasional Berhad, pursuant to the conditional share subscription agreement signed on 1 December 2023.

(B) Performance of the current quarter against the preceding year corresponding quarter (Q4'23 vs Q4'22)

Total revenue in Q4'23 was higher against Q4'22, contributed by growth across Consumer business and Enterprise business. Consumer postpaid revenue grew 6.2% on the back of a wide range of postpaid plan. Although ARPU is slightly diluted, the number of subscribers grew by 7.6% year-on-year. Consumer prepaid revenue was 3.8% lower in light of a competitive prepaid market. In contrast, the number of its subscribers grew by a modest 1.6%. Consumer home connectivity revenue continued its double digit growth year-on-year, while ARPU was slightly lower due to the revised fibre pricing in October 2023. This was in line with the revision in the Mandatory Standard on Access Pricing, promoting affordable connectivity for all. Enterprise revenue grew from fixed connectivity solutions and wholesale arrangements.

EBITDA was up 7.2% year-on-year, in line with the increase in total revenue of 7.4%. EBIT and profit before tax in Q4'23 was impacted by the adjustments abovementioned, excluding which the increase year-on-year would be 16.6% and 21.1% respectively. Excluding the adjustments and tax settlement in Q4'23 and prosperity tax charged in Q4'22, the year-on-year increase in profit after tax would be 33.8%.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(B) Performance of the current quarter against the preceding year corresponding quarter (Q4'23 vs Q4'22) (continued)

Maxis remained prudent in our Capex spending for Q4'23, focusing our investments on supporting the network capacity growth, and moderating spending for network coverage and IT digitization. OFCF for Q4'23 was impacted by the payments for the manpower optimisation initiative, tax settlement and the advance payment to DNB pursuant to the conditional share subscription agreement in Dec'23. OFCF of RM665m and our cash balance of RM569 million remained strong to support dividend payment of 4 sen per share in the current quarter.

(C) Performance of the current year against the preceding year (Financial Year ("FY") 2023 versus FY2022)

Total revenue in FY2023 grew 4.0%, while underlying service revenue, excluding low margin wholesale voice services that was terminated in Q4'22, grew 4.2% year-on-year. The widened range of postpaid plans was successful in growing consumer postpaid subscribers, therefore growing consumer postpaid revenue by 7.5%. Prepaid revenue was relatively stable at RM2.6 billion for FY2023, amidst strong competition in the prepaid segment. The attractive fixed mobile convergence proposition continued to attract new home connection customers, therefore growing consumer home connectivity revenue by 9.7% year-on-year. Enterprise revenue grew on the back of mobile, fixed and solutions businesses, in line with our focus to build a sustainable Enterprise business. This was offset by the discontinuation of low margin wholesale voice in Q4'22.

EBITDA for FY2023 was relatively flat against FY22, despite costs incurred in Q3'23 pertaining to the manpower rightsizing. Excluding this, EBITDA would be 2.7% higher. EBIT and profit before tax was affected by the non-cash adjustments from reduction in useful lives of certain assets and assets write-off, excluding which it was up 3.3% and 1.9% respectively. Profit after tax was higher in the current year as FY2022 was impacted by the charges for Prosperity Tax, offset by the adjustments and tax settlement in FY2023, excluding which profit after tax grew 3.0% year-on-year.

Maxis was prudent in our spending of capex in FY23, prioritising spend on supporting network capacity growth and fibre build. OFCF in FY23 was lower, impacted by the higher tax paid pertaining to payment for Prosperity Tax in Q1'23, tax settlement in Q4'23, and the advance payment to DNB pursuant to the conditional share subscription agreement in Dec'23.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(D) STATEMENT OF FINANCIAL POSITION

Financial indicators (RM'm unless otherwise indicated)	AS AT 31/12/2023	AS AT 31/12/2022 (Restated)
Total assets	22,781	23,045
Equity attributable to equity owners of the Company	5,743	6,089
Debt	9,772	9,865
Deposits, cash and bank balances	(569)	(628)
Net debt	9,203	9,237
Net debt-to-EBITDA	2.32	2.35

The lower equity position to RM5,743 million is mainly due to dividend distribution for the financial year ended 31 December 2023 and non-cash adjustments as disclosed in Note 4 and 5, amounting to RM315 million.

Net debt-to-EBITDA decreased from 2.35x as at 31 December 2022 to 2.32x as at 31 December 2023 as a result of lower net debt position and higher EBITDA.



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17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (“FY2024”)

Maxis remains steadfast in our vision as the leading integrated telco in Malaysia, with our focus on growing mobile, fibre and enterprise. This growth will be fueled by our aim to provide all customers a great experience through our continued enhancement of product offerings and value propositions to target different customer segments. We remain committed to delivering excellence, promoting operating efficiencies in everything we do.

Maxis welcomes the Government’s decision on 3 May 2023 to transition towards a dual 5G network model, and is undergoing due processes towards this transition.

Our guidance for the financial year ending 31 December 2024 is:

- a low single digit increase in service revenue;
- EBITDA to remain relatively unchanged*; and
- Capex spending to remain less than RM1 billion*.

*before any potential financial impact for 5G



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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 2022.

20. PROFIT BEFORE TAX

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2023	QUARTER ENDED 31/12/2022	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022
	RM'm	RM'm	RM'm	RM'm
Fair value gains on forward foreign exchange contracts	(1)	1	(6)	(11)
Losses on foreign exchange (net)	*	(4)	6	5
Property, plant and equipment, intangible assets and right-of-use assets:				
- gain on disposal/termination	*	(*)	(2)	(12)
- reversal of impairment (net)	(4)	(*)	(4)	(7)
- write-offs	161	3	171	18

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 2023.



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21. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2023	QUARTER ENDED 31/12/2022	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022
	RM'm	RM'm (Restated)	RM'm	RM'm (Restated)
Income tax				
- current tax	129	106	633	559
- under/over accrual in prior years	56	(2)	56	(2)
Deferred tax:				
- origination and reversal of temporary differences	(79)	71	(253)	94
- recognition and reversal of prior years' temporary differences	16	*	16	*
Total	122	175	452	651

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 were disclosed as contingent liabilities previously. 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.

Other than the tax settlement above, the Group's effective tax rate for the current quarter and financial year ended 31 December 2023 were 27.5% and 26.2% respectively which are above the statutory tax rate of 24% due to certain expenses non-deductible for tax purposes.

22. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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



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23. BORROWINGS

RM denominated	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2022		
	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm
Secured						
Lease liabilities	288	1,681	1,969	283	1,755	2,038
Unsecured						
Term loans	*	596	596	-	594	594
Commodity Murabahah						
Term Financing	501	-	501	-	1,944	1,944
Islamic Medium						
Term Notes	66	6,140	6,206	-	4,789	4,789
Business Financing-i	2	498	500	-	500	500
	857	8,915	9,772	283	9,582	9,865
Excluding lease liabilities:						
- weighted average interest rate			4.17%			4.02%
- proportion of borrowings between fixed and floating interest rates			80% : 20%			61% : 39%

* Less than RM1 million.

Material changes to borrowings for the financial year ended 31 December 2023 are disclosed in Note 6.



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24. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Details of derivative financial instruments outstanding as at 31 December 2023 are set out below:

TYPE OF DERIVATIVE	CONTRACT/ NOTIONAL VALUE	FAIR VALUE
	RM'm	RM'm
<u>Current liabilities</u>		
Forward foreign exchange contracts:		
- designated in hedging relationship (cash flow hedge)	129	3
- not designated in hedging relationship	36	*
	165	3
	165	3

There have been no material change since the end of the previous financial year ended 31 December 2022 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives;
- (ii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iii) the related accounting policies.

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

The Group determines the fair values of the forward foreign exchange contracts using the forward exchange rates from recognised financial information sources as at each reporting date.



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25. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	AS AT 31/12/2023	AS AT 31/12/2022
	RM'm	RM'm
<u>Non-current assets</u>		
At net of impairment:		
- Trade receivables	436	334
- Finance lease receivables	*	1
- Contract assets	79	45
Deposits	187	164
Prepayments	477	541
Contract cost assets, net of amortisation	154	141
	<u>1,333</u>	<u>1,226</u>
<u>Current assets</u>		
At net of impairment:		
- Trade receivables	1,281	1,080
- Other receivables and deposit	369	573
- Finance lease receivables	*	*
- Contract assets	209	187
Prepayments	402	139
Contract cost assets, net of amortisation	174	157
	<u>2,435</u>	<u>2,136</u>
	<u>3,768</u>	<u>3,362</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.

The ageing analysis of the Group's gross trade receivables as at 31 December 2023 is as follows:

	RM'm
Current	1,641
1 to 90 days past due	147
More than 90 days past due	205
	<u>1,993</u>



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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 4 sen per ordinary share in respect of the financial year ended 31 December 2023, to be paid on 21 March 2024. The entitlement date for the dividend payment is 11 March 2024.

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 11 March 2024 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 2023 is 16 sen per ordinary share (2022: 20 sen).



MAXIS BERHAD

Company No. (200901024473 (867573-A))

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)

28. EARNINGS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/12/2023	QUARTER ENDED 31/12/2022 (Restated)	YEAR ENDED 31/12/2023	YEAR ENDED 31/12/2022 (Restated)
(a) Basic earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	<u>56</u>	<u>233</u>	<u>993</u>	<u>1,152</u>
Weighted average number of issued ordinary shares	('m)	<u>7,832</u>	<u>7,830</u>	<u>7,831</u>	<u>7,828</u>
Basic earnings per share	(sen)	<u>0.7</u>	<u>3.0</u>	<u>12.7</u>	<u>14.7</u>
(b) Diluted earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	<u>56</u>	<u>233</u>	<u>993</u>	<u>1,152</u>
Weighted average number of issued ordinary shares	('m)	<u>7,832</u>	<u>7,830</u>	<u>7,831</u>	<u>7,828</u>
Adjusted for LTIP	('m)	<u>2</u>	<u>4</u>	<u>2</u>	<u>4</u>
Adjusted weighted average number of ordinary shares	('m)	<u>7,834</u>	<u>7,834</u>	<u>7,833</u>	<u>7,832</u>
Diluted earnings per share	(sen)	<u>0.7</u>	<u>3.0</u>	<u>12.7</u>	<u>14.7</u>

By order of the Board

Dipak Kaur

SSM PC No. 201908002620

(LS 5204)

Company Secretary

22 February 2024

Kuala Lumpur