The Directors hereby submit their Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the Group, comprising the Company and its subsidiaries, are to offer a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18(a) to the financial statements.

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

FINANCIAL RESULTS

	Group RM'million	Company RM'million
Profit for the financial year	**1,308**	**1,415**

DIVIDENDS

The single-tier tax-exempt dividends paid by the Company since the end of the previous financial year were as follows:

	RM'million
In respect of the financial year ended 31 December 2020:	
Fourth and special interim dividend of 4.0 sen and 1.0 sen respectively per ordinary share, paid on 31 March 2021	**391**
In respect of the financial year ended 31 December 2021:	
First interim dividend of 4.0 sen per ordinary share, paid on 30 June 2021	**313**
Second interim dividend of 4.0 sen per ordinary share, paid on 30 September 2021	**313**
Third interim dividend of 4.0 sen per ordinary share, paid on 30 December 2021	**313**
	1,330

Subsequent to the financial year, on 24 February 2022, the Directors declared a fourth and special interim single-tier tax-exempt dividend of 4.0 sen and 1.0 sen respectively per ordinary share in respect of the financial year ended 31 December 2021 which will be paid on 31 March 2022. The financial statements for the financial year ended 31 December 2021 do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2022.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2021.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

During the financial year, the issued share capital of the Company was increased from 7,823,037,410 ordinary shares to 7,826,271,010 ordinary shares by the issuance of 3,233,600 new ordinary shares under the Company's Long Term Incentive Plan ("LTIP").

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

LONG TERM INCENTIVE PLAN ("LTIP")

The Company's LTIP is governed by the By-Laws which were approved by the shareholders on 28 April 2015 and is administered by the Remuneration Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The Remuneration Committee may from time to time, offer LTIP to eligible employees (including executive director) of the Group and includes any person who is proposed to be employed as an employee (including executive director) of the Group.

The maximum number of new shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new shares under the LTIP shall not, when aggregated with the total number of new shares allotted and issued under Employee Share Option Scheme ("ESOS"), exceed 250,000,000 shares at any point of time during the duration of the LTIP. The ESOS had expired in 2019.

The LTIP comprises a Performance Share Grant ("PS Grant") and a Restricted Share Grant ("RS Grant") which shall be in force for a period of 10 years commencing from 31 July 2015, the effective date of the implementation of the LTIP.

Details of the LTIP are disclosed in Note 30(a) to the financial statements.

During the financial year, 10,500,500 PS Grant under the LTIP were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary shares in the Company, to be allotted and issued pursuant to the LTIP ("new shares"), upon meeting the vesting conditions as set out in the letter of offer for the new shares. The vesting conditions comprise, amongst others, the performance targets and/or conditions for the period commencing from 1 January 2021 and ending on 31 December 2023, as stipulated by the Remuneration Committee. The vesting date is on 30 June 2024, subject to meeting such performance targets.

The movement of the PS Grant under the LTIP is as follows:

	Quantity 'million
Total outstanding as at 1 January 2021	**22**
Total granted	**10**
Total vested	**(3)**
Total forfeited	**(5)**
Total outstanding as at 31 December 2021	**24**

The Directors have not been granted any shares since LTIP implementation.

DIRECTORS

The Directors in office since the beginning of the financial year to the date of the Report are:

Non-Executive Directors

Tan Sri Mokhzani bin Mahathir
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda
Alvin Michael Hew Thai Kheam
Lim Ghee Keong
Dato' Hamidah Naziadin
Robert Alan Nason
Mohammed Abdullah K. Alharbi
Mazen Ahmed M. AlJubeir
Abdulaziz Abdullah M. Alghamdi

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office since the beginning of the financial year to the date of the Report is as follows:

Gokhan Ogut
Norman Wayne Treeby
Susan Yuen Su Min (appointed on 15 September 2021)
Ong Soo Chan (appointed on 15 September 2021)
Su Puay Leng
Siow Shy Teng (appointed on 23 August 2021)

DIRECTORS' REMUNERATION AND BENEFITS

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

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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of interests of the Directors who held office at the end of the financial year in shares in the Company are as follows:

	Number of ordinary shares in the Company			
	At 1.1.2021	Acquired	Sold	At 31.12.2021
Direct Interest				
Tan Sri Mokhzani bin Mahathir	750,000	-	-	750,000
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000	-	-	750,000
Indirect Interest				
Tan Sri Mokhzani bin Mahathir	1,000[1]	-	-	1,000[1]

Note:

[1] Deemed interest in 1,000 shares in the Company held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors of the Group and of the Company were insured against certain liabilities under a Directors' and Officers' liability insurance policy maintained as a group basis under Binariang GSM Sdn. Bhd. ("BGSM"), the ultimate holding company, for up to a maximum of RM210 million for any one claim and in aggregate. During the financial year, the Group and the Company paid an aggregate of RM0.6 million and RM0.1 million respectively based on the apportioned premium in respect of such policy.

IMMEDIATE HOLDING, PENULTIMATE HOLDING AND ULTIMATE HOLDING COMPANIES

The Directors of the Company regard BGSM Equity Holdings Sdn. Bhd. as the immediate holding company, BGSM Management Sdn. Bhd. as the penultimate holding company and BGSM as the ultimate holding company. All these companies are incorporated and domiciled in Malaysia.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 16, 35 and 37 to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this Report is made, other than as disclosed in Note 38 to the financial statements.

SUBSIDIARIES

Details of subsidiaries are set out in Note 18(a) to the financial statements.

AUDITORS

Details of auditors' remuneration are set out in Note 11 to the financial statements.

The auditors, PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 24 February 2022.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

ALVIN MICHAEL HEW THAI KHEAM
DIRECTOR

Kuala Lumpur

Statements of Profit or Loss

for the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'million	Group 2020 RM'million	Company 2021 RM'million	Company 2020 RM'million
Revenue	6	**9,203**	8,966	**1,412**	1,329
Traffic, device, commissions and other direct costs		**(3,472)**	(3,147)	**-**	-
Spectrum licence fees		**(271)**	(267)	**-**	-
Network costs		**(479)**	(473)	**-**	-
Staff and resource costs	7	**(735)**	(670)	**-**	-
Operation and maintenance costs		**(401)**	(448)	**-**	-
Marketing costs		**(180)**	(142)	**-**	-
Impairment of receivables and deposits, net		**(17)**	(268)	**-**	-
Government grant and other income		**271**	274	*****	*
Other operating expenses		**(95)**	(93)	**(9)**	(9)
Depreciation and amortisation	9	**(1,649)**	(1,475)	**-**	-
Finance income	10(a)	**60**	84	**15**	13
Finance costs	10(b)	**(473)**	(489)	*****	*
Profit before tax	11	**1,762**	1,852	**1,418**	1,333
Tax expenses	12	**(454)**	(470)	**(3)**	(3)
Profit for the financial year		**1,308**	1,382	**1,415**	1,330
Attributable to equity holders of the Company		**1,308**	1,382		
Earnings per share attributable to equity holders of the Company:					
- basic (sen)	13(a)	**16.7**	17.7		
- diluted (sen)	13(b)	**16.7**	17.7		

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'million	Group 2020 RM'million	Company 2021 RM'million	Company 2020 RM'million
Profit for the financial year		**1,308**	1,382	**1,415**	1,330
Other comprehensive income/(expense)					
Item that will be reclassified subsequently to profit or loss:					
- net change in cash flow hedge	31(c)	**12**	(11)	**-**	-
Total comprehensive income for the financial year		**1,320**	1,371	**1,415**	1,330
Attributable to equity holders of the Company		**1,320**	1,371		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

as at 31 December 2021

		Group			Company	
	Note	31.12.2021 RM'million	31.12.2020 RM'million (Restated)	1.1.2020 RM'million (Restated)	31.12.2021 RM'million	31.12.2020 RM'million
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	15	**5,193**	4,931	4,922	**-**	-
Intangible assets	16	**11,474**	11,461	11,310	**-**	-
Right-of-use assets	17	**1,854**	1,767	1,918	**-**	-
Investments in subsidiaries	18	**-**	-	-	**25,135**	25,118
Financial assets at fair value through other comprehensive income ("FVOCI")	20	**4**	4	4	**4**	4
Receivables, deposits and prepayments	21	**915**	947	1,183	**-**	-
Deferred tax assets	23	*	*	*	**-**	-
TOTAL NON-CURRENT ASSETS		**19,440**	19,110	19,337	**25,139**	25,122
CURRENT ASSETS						
Inventories	24	**5**	3	3	**-**	-
Receivables, deposits and prepayments	21	**1,807**	2,073	2,390	**5**	5
Amounts due from related parties	25	*	11	10	**-**	-
Loans due from a subsidiary	18	**-**	-	-	**308**	227
Derivative financial instruments	22	*	-	*	**-**	-
Tax recoverable		*	*	1	**-**	-
Deposits, cash and bank balances	26	**1,191**	735	582	**32**	20
TOTAL CURRENT ASSETS		**3,003**	2,822	2,986	**345**	252
TOTAL ASSETS		**22,443**	21,932	22,323	**25,484**	25,374

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

as at 31 December 2021

	Note	Group			Company	
		31.12.2021 RM'million	31.12.2020 RM'million (Restated)	1.1.2020 RM'million (Restated)	31.12.2021 RM'million	31.12.2020 RM'million
LESS: CURRENT LIABILITIES						
Provisions for liabilities and charges	27	**137**	130	127	**-**	-
Payables and accruals	28	**4,055**	3,997	4,323	**1**	1
Amount due to a subsidiary	18	**-**	-	-	*****	*
Amount due to a fellow subsidiary		**-**	-	*	**-**	-
Amounts due to related parties	25	**20**	17	25	**-**	-
Borrowings	29	**2,034**	255	1,156	**-**	-
Derivative financial instruments	22	**9**	5	3	**-**	-
Taxation		**19**	57	126	**2**	1
TOTAL CURRENT LIABILITIES		**6,274**	4,461	5,760	**3**	2
NET CURRENT (LIABILITIES)/ASSETS		**(3,271)**	(1,639)	(2,774)	**342**	250
NON-CURRENT LIABILITIES						
Provisions for liabilities and charges	27	**335**	326	311	**-**	-
Payables and accruals	28	**145**	188	278	**-**	-
Borrowings	29	**8,056**	9,508	8,768	**-**	-
Derivative financial instruments	22	**-**	17	6	**-**	-
Deferred tax liabilities	23	**908**	717	534	**-**	-
TOTAL NON-CURRENT LIABILITIES		**9,444**	10,756	9,897	**-**	-
NET ASSETS		**6,725**	6,715	6,666	**25,481**	25,372
EQUITY						
Share capital	30	**2,564**	2,547	2,532	**2,564**	2,547
Reserves	31	**4,161**	4,168	4,134	**22,917**	22,825
TOTAL EQUITY		**6,725**	6,715	6,666	**25,481**	25,372

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		<-----Attributable to equity holders of the Company----->						
		Issued and fully paid ordinary shares						
Group	Note	Number of shares 'million	Share capital RM'million	Merger relief (Note 31(a)) RM'million	Reserve arising from reverse acquisition (Note 31(b)) RM'million	Other reserves (Note 31(c)) RM'million	Retained earnings RM'million	Total equity RM'million
At 31 December 2020, as previously reported		7,823	2,547	22,729	(22,729)	49	4,454	7,050
Opening balance adjustments	35	-	-	-	-	-	(335)	(335)
Restated at 1 January 2021		7,823	2,547	22,729	(22,729)	49	4,119	6,715
Profit for the financial year		-	-	-	-	-	1,308	1,308
Other comprehensive income for the financial year		-	-	-	-	12	-	12
Total comprehensive income for the financial year		-	-	-	-	12	1,308	1,320
Dividends provided for or paid	14	-	-	-	-	-	(1,330)	(1,330)
LTIP and incentive arrangement	31(c)	3	17	-	-	3	-	20
Total transactions with owners, recognised directly in equity		3	17	-	-	3	(1,330)	(1,310)
At 31 December 2021		7,826	2,564	22,729	(22,729)	64	4,097	6,725

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Group	Note	<----------Attributable to equity holders of the Company----------> Issued and fully paid ordinary shares: Number of shares 'million	Share capital RM'million	Merger relief (Note 31(a)) RM'million	Reserve arising from reverse acquisition (Note 31(b)) RM'million	Other reserves (Note 31(c)) RM'million	Retained earnings RM'million	Total equity RM'million
At 1 January 2020, as previously reported		7,820	2,532	22,729	(22,729)	67	4,402	7,001
Opening balance adjustments	35	-	-	-	-	-	(335)	(335)
Restated at 1 January 2020		7,820	2,532	22,729	(22,729)	67	4,067	6,666
Profit for the financial year		-	-	-	-	-	1,382	1,382
Other comprehensive expense for the financial year		-	-	-	-	(11)	-	(11)
Total comprehensive (expense)/income for the financial year		-	-	-	-	(11)	1,382	1,371
Dividends provided for or paid	14	-	-	-	-	-	(1,330)	(1,330)
LTIP and incentive arrangement	31(c)	3	15	-	-	(7)	-	8
Total transactions with owners, recognised directly in equity		3	15	-	-	(7)	(1,330)	(1,322)
At 31 December 2020		7,823	2,547	22,729	(22,729)	49	4,119	6,715

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Note	Issued and fully paid ordinary shares Number of shares 'million	Issued and fully paid ordinary shares Share capital RM'million	Merger relief (Note 31(a)) RM'million	Other reserves (Note 31(c)) RM'million	Retained earnings RM'million	Total equity RM'million
At 1 January 2021		7,823	2,547	22,729	79	17	25,372
Total comprehensive income for the financial year		-	-	-	-	1,415	1,415
Dividends provided for or paid	14	-	-	-	-	(1,330)	(1,330)
LTIP	31(c)	3	17	-	7	-	24
Total transactions with owners, recognised directly in equity		3	17	-	7	(1,330)	(1,306)
At 31 December 2021		7,826	2,564	22,729	86	102	25,481

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the Financial Year Ended 31 December 2021

Company	Note	Issued and fully paid ordinary shares Number of shares 'million	Share capital RM'million	Merger relief (Note 31(a)) RM'million	Other reserves (Note 31(c)) RM'million	Retained earnings RM'million	Total equity RM'million
At 1 January 2020		7,820	2,532	22,729	76	17	25,354
Total comprehensive income for the financial year		-	-	-	-	1,330	1,330
Dividends provided for or paid	14	-	-	-	-	(1,330)	(1,330)
LTIP	31(c)	3	15	-	3	-	18
Total transactions with owners, recognised directly in equity		3	15	-	3	(1,330)	(1,312)
At 31 December 2020		7,823	2,547	22,729	79	17	25,372

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2021 RM'million	Group 2020 RM'million	Company 2021 RM'million	Company 2020 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		**1,308**	1,382	**1,415**	1,330
Adjustments for:					
Impairment of receivables and deposits (net)	32(b)	**76**	307	**-**	-
(Reversal)/impairment of inventories obsolescence (net)		**(*)**	*	**-**	-
Amortisation of:					
- contract cost assets	21(e)	**197**	146	**-**	-
- intangible assets	16	**181**	62	**-**	-
Bad debts recovered		**(59)**	(39)	**-**	-
Dividend income	6	**-**	-	**(1,412)**	(1,329)
Unrealised fair value (gain)/loss on forward foreign exchange contracts		**(1)**	1	**-**	-
Unrealised loss/(gain) on foreign exchange		**3**	(6)	**-**	-
Depreciation of:					
- property, plant and equipment	15	**1,162**	1,131	**-**	-
- right-of-use assets	17	**306**	282	**-**	-
Property, plant and equipment:					
- losses on disposal		**1**	*	**-**	-
- net allowance for impairment	15	**10**	2	**-**	-
- write-offs	15	**21**	29	**-**	-
Termination of lease contracts		**(18)**	(3)	**-**	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	27	**(3)**	*	**-**	-
- staff incentive scheme	27	**121**	102	**-**	-
Share-based payments	7	**27**	20	**-**	-
Finance costs	10	**473**	489	*****	*
Finance income	10	**(60)**	(84)	**(15)**	(13)
Tax expenses	12	**454**	470	**3**	3
		4,199	4,291	**(9)**	(9)
Payments for:					
- site rectification and decommissioning works	27	**(1)**	(2)	**-**	-
- staff incentive scheme	27	**(113)**	(105)	**-**	-
Operating cash flows before working capital changes		**4,085**	4,184	**(9)**	(9)

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

for the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'million	Group 2020 RM'million	Company 2021 RM'million	Company 2020 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Changes in working capital:					
Inventories		**(2)**	*	**-**	-
Receivables		**122**	204	**(1)**	-
Payables		**(32)**	(402)	*****	*
Balances with:					
- related parties		**13**	(9)	**-**	-
- a fellow subsidiary		**-**	*	**-**	-
- subsidiaries		**-**	-	*****	(*)
Cash flows from operations		**4,186**	3,977	**(10)**	(9)
Dividends received		**-**	-	**1,412**	1,329
Interest received		**21**	17	**17**	8
Tax paid		**(301)**	(356)	**(2)**	(3)
Tax refund		**-**	1	**-**	-
Net cash flows from operating activities		**3,906**	3,639	**1,417**	1,325
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans granted to a subsidiary		**-**	-	**(786)**	(313)
Loan repayments from a subsidiary		**-**	-	**704**	313
Investment in a subsidiary		**-**	-	**(10)**	-
Property, plant and equipment and intangible assets:					
- purchase		**(1,633)**	(1,396)	**-**	-
- disposal proceeds		*****	1	**-**	-
Consideration paid for business combinations	16	**(10)**	(18)	**-**	-
Withdrawal of deposits with maturity of more than three months		**3**	*	**-**	-
Net cash flows used in investing activities		**(1,640)**	(1,413)	**(92)**	-

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares pursuant to LTIP		**-**	-	**17**	15
Shares acquired pursuant to incentive arrangement		**(7)**	(12)	**-**	-
Drawdown of borrowings		**2,300**	1,200	**-**	-
Repayments of:					
- borrowings		**(2,050)**	(1,200)	**-**	-
- lease liabilities	17(iii)	**(264)**	(241)	**-**	-
Payments of finance costs		**(456)**	(490)	*****	*
Ordinary share dividends paid	14	**(1,330)**	(1,330)	**(1,330)**	(1,330)
Net cash flows used in financing activities		**(1,807)**	(2,073)	**(1,313)**	(1,315)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**459**	153	**12**	10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		**705**	552	**20**	10
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	26	**1,164**	705	**32**	20

* Less than RM1 million.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding, whilst the principal activities of the Group, comprising the Company and its subsidiaries, are to offer a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions for the Group. Details of the principal activities of the subsidiaries are shown in Note 18(a) to the financial statements.

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

The Directors regard BGSM Equity Holdings Sdn. Bhd. as the immediate holding company, BGSM Management Sdn. Bhd. as the penultimate holding company and Binariang GSM Sdn. Bhd. ("BGSM") as the ultimate holding company. All these companies are incorporated and domiciled in Malaysia.

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

Level 21, Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur

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

Level 5 - 9, 11, 14 - 25, 29 & 30 Menara Maxis
Kuala Lumpur City Centre
Off Jalan Ampang
50088 Kuala Lumpur

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies in Note 3 to the financial statements.

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(a) Amendments to published standards that are effective and applicable to the Group and the Company

The Group and the Company have applied the following amendments to published standards for the financial year beginning on 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 "Interest Rate Benchmark Reform - Phase 2"
- Amendment to MFRS 16 "COVID-19 Related Rent Concessions beyond 30 June 2021"

The adoption of the above amendments to published standards did not have any significant effect on the consolidated and separate financial statements of the Group and of the Company respectively upon their initial application.

(b) Amendments to published standards that are applicable to the Group and the Company but not yet effective

The amendments below to published standards are effective for the financial year beginning after 1 January 2022. None of these are expected to have a significant effect on the consolidated and separate financial statements of the Group and the Company respectively.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Acquisition-related costs are expensed as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the statement of profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss. See accounting policy Note 3(d)(iii) on goodwill.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(b) Foreign currencies

(i) Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currencies (continued)

(ii) Transactions and balances

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

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

Exchange differences arising from the settlement of foreign currency transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in the statement of profit or loss. However, exchange differences are deferred in other comprehensive income when they arise from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure (including borrowing and staff costs) that is directly attributable to the acquisition of property, plant and equipment and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of certain property, plant and equipment items include the costs of dismantling and removing the item and restoring the sites on which these items are located. These costs are due to obligations incurred either when the items were installed or as a consequence of having used these items during a particular period.

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

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

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

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

Buildings	44 - 50 years
Telecommunications equipment	2 - 25 years
Motor vehicles	5 years
Office furniture, fittings and equipment	3 - 7 years

Capital work-in-progress and capital inventories comprise mainly telecommunications equipment, information technology equipment and renovations. They are reclassified to the respective categories of property, plant and equipment and depreciated when they are ready for their intended use.

Residual values and useful lives are reassessed and adjusted, if appropriate, at each reporting date to ensure the amount and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of profit or loss.

Leased assets (including leasehold land) are presented as "right-of-use assets" in a separate line item in the statement of financial position.

(d) Intangible assets

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

(i) Spectrum rights

The Group's spectrum rights consist of rights to spectrum bands previously acquired as part of a business combination and other spectrum rights.

As disclosed in Note 16, the Group revised the useful life of the spectrum rights previously assessed to be indefinite, to a finite life based on the remaining Spectrum Assignment ("SA") term of the respective spectrum bands. Spectrum rights that are considered to have a finite life are amortised on a straight-line basis over the period of expected benefit and assessed at each reporting date for any indication of impairment. Costs to renew such spectrum rights upon the expiry of their SA periods are charged to the statement of profit or loss during the SA periods.

The estimated useful lives of the spectrum rights of the Group are as follows:

Spectrum rights	15 - 16 years
Other spectrum rights	2 - 4 years

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

See accounting policy Note 3(g) on impairment of non-financial assets.

(ii) Other indefinite life intangible assets - telecommunications licences

Telecommunications licences comprise the rights that exist with the embedded approvals of the Government to allow Maxis to operate as one of the few mobile operators in Malaysia together with all the ancillary Network Facilities Provider ("NFP"), Network Service Provider ("NSP") and Applications Service Provider ("ASP") licences. The telecommunications licences were acquired as part of a business combination and are issued for a fixed period.

Telecommunications licences are considered to have an indefinite useful life if they can be renewed indefinitely without significant costs in comparison to the expected future economic benefits that the rights can generate for the Group. Therefore, the telecommunications licences are not amortised but tested for impairment on an annual basis, and where an indication of impairment exists.

See accounting policy Note 3(g) on impairment of non-financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(ii) Other indefinite life intangible assets - telecommunications licences (continued)

The indefinite useful life assumption applied to this acquired intangible assets is reassessed at each reporting date. When the expectation differs from previous estimates, the change is accounted for as a change in accounting estimate.

(iii) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregation of the consideration transferred for purchase of subsidiaries or businesses, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is measured at cost less any accumulated impairment losses. Negative goodwill is recognised immediately in the statement of profit or loss.

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

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. See accounting policy Note 3(g) on impairment of non-financial assets. Each CGU or a group of CGUs represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which is expected to benefit from the synergies of the combination.

(iv) Software

Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software recognised as assets are amortised using the straight line method over their estimated useful economic lives of 3 – 8 years.

No amortisation is calculated on software development until the underlying software is completed and is ready for its intended use.

(v) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. It has a finite useful life of 4 years and are amortised on a straight-line basis over the period of the expected benefits and assessed at each reporting date whether any indication of impairment exists. See accounting policy Note 3(g) on impairment of non-financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses plus the fair value of share grants over the Company's equity instruments for employees (including full-time executive directors) of the subsidiaries during the vesting period, deemed as capital contribution. See accounting policy Note 3(t)(iii) on share-based compensation benefits. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(g) on impairment of non-financial assets.

(f) Financial instruments

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

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

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

Financial assets

(i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost:

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI:

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating expenses and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL:

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other operating expenses in the period in which it arises.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised within other operating expenses in the statement of profit or loss as applicable.

(iv) Subsequent measurement - impairment

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has five types of financial instruments that are subject to the ECL model:
- Trade receivables
- Finance lease receivables
- Contract assets
- Other receivables and deposits
- Amounts due from related parties

The Company has two types of financial instruments that are subject to the ECL model:
- Other receivables and deposits
- Loans due from a subsidiary

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9 "Financial Instruments", the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables, deposits, and loans to subsidiaries

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iv) Subsequent measurement - impairment (continued)

(b) Simplified approach for trade receivables, finance lease receivables, contract assets and amount due from related parties.

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all the above.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:
- internal credit rating; and
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, when counterparty fails to make contractual payment more than 90 days after they fall due or the debtor is insolvent or has significant financial difficulties.

Financial instruments that are credit-impaired are assessed on individual basis.

For certain categories of financial assets, such as trade receivables, finance lease receivables, contract assets and amount due from related parties, balances that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade receivables, finance lease receivables, contract assets and amount due from related parties have been grouped based on shared credit risk characteristics of customer's behaviour and the days past due. The contract assets relate to unbilled amounts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iv) Subsequent measurement - impairment (continued)

Groupings of instruments for ECL measured on collective basis (continued)

(b) Individual assessment

Trade receivables, finance lease receivables, contract assets, other receivables and deposits, related parties' owings and loans due from a subsidiary that are in default or credit-impaired are assessed individually.

Write-off

(a) Trade receivables, finance lease receivables, contract assets and amount due from related parties

The above is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on the above are presented within 'Impairment of receivables and deposits, net' in the statements of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item in the statements of profit or loss.

(b) Other receivables and deposits and loans due from a subsidiary

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. These are presented as net impairment losses within 'Impairment of receivables and deposits, net' in the statements of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial liabilities

(i) Classification and measurement

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

The Group and the Company do not hold any financial liabilities carried at fair value through profit or loss (except for derivative financial instruments and deferred contingent consideration arising from business combinations) and financial guarantee contracts. See accounting policy Note 3(h) on derivative financial instruments and hedging activities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial liabilities (continued)

(i) Classification and measurement (continued)

Other financial liabilities are non-derivative financial liabilities. Other financial liabilities are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these liabilities are recognised in the statement of profit or loss.

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

(ii) Recognition and derecognition

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

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

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(g) Impairment of non-financial assets

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

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

(h) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Derivative financial instruments and hedging activities (continued)

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivative that does not qualify for hedge accounting are classified as "held for trading" and accounted for at fair value through profit and loss. Changes in fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

Derivatives that qualify for hedge accounting are designated as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve in shareholders' equity are shown in Note 31(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss and deferred cost of hedging included in equity depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to profit or loss in the same period that the hedged cash flows affect profit or loss. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that was reported in equity is immediately reclassified to the statement of profit or loss.

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

(i) Fair value estimates

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(i) Fair value estimates (continued)

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

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

For derivative financial instruments that are measured at fair value, the fair values are determined using a valuation technique which utilises data from recognised financial information sources. Assumptions are based on market conditions existing at each reporting date. The fair values of interest rate swaps are calculated as the present value of estimated future cash flow using an appropriate market-based yield curve. The fair values of forward foreign exchange contracts are determined using the forward exchange rates as at each reporting date.

(j) Inventories

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

(k) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See Note 3(f)(iv) for the impairment policy on receivables.

(l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

Accounting as lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases (continued)

Accounting as lessee (continued)

(i) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and

- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Land and network infrastructure	2 - 90 years
Offices and customer service centers	2 - 20 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases (continued)

Accounting as lessee (continued)

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- the exercise price of extension options if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The Group presents the lease liabilities within borrowings in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(iv) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of equipment, land and buildings, and network cell sites and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss.

Accounting as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(i) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leases (continued)

Accounting as a lessor (continued)

(i) Finance leases (continued)

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under an operating lease as lease income on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

(iii) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 “Revenue from Contracts with Customers”.

(m) Loans to subsidiaries

Loans to subsidiaries are recognised initially at fair value. If there are any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See Note 3(f)(iv) for the impairment policy on receivables.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of deposits with maturity more than three months.

(o) Share capital

(i) Classification

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Share capital (continued)

(ii) Share issue costs

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

(iii) Dividends to shareholders of the Company

Dividend distribution to the Company's shareholders is recognised as a liability in the period which they are declared.

(p) Payables

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

Payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties. Payables are subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

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

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

Interest expense, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance costs in the statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss within finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(i) Borrowings in a designated hedging relationship

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

Interest expense on the borrowings are recognised in the statement of profit or loss, along with the associated gains or losses on the hedging instrument, which have been reclassified from the cash flow hedging reserve to the statement of profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Borrowings (continued)

(ii) Borrowings not in a designated hedging relationship

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

(r) Provisions for liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. When it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Site rectification and decommissioning works

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

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

The estimated amount is determined after taking into consideration the time value of money, risk specific to the provision and the current conditions of the sites. The initial estimated amount is capitalised as part of the cost of property, plant and equipment.

(ii) Staff incentive scheme

Provision for staff incentive scheme is based on management's best estimate of the total employee benefits payable as at reporting date based on the service and/or performance conditions of individual employees and/or financial performance of the Group.

(s) Income taxes

The tax expenses for the period comprise current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income taxes (continued)

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, and real property gains taxes payable on disposal of properties.

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

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

Deferred tax liability is recognised for all taxable temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

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

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

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

(t) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis, and the Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(ii) Defined contribution plans (continued)

The Group's contributions to defined contribution plans are charged to the statement of profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. The Group recognises a provision when an employee has provided services in exchange for employee benefits to be paid in the future. When contributions to a defined contribution plan are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, they shall be discounted to present value.

(iii) Share-based compensation benefits

The Group and the Company operate equity-settled, share-based compensation plans for eligible employees (including full-time executive directors) of the Group and of the Company, pursuant to the Long Term Incentive Plan ("LTIP") and incentive arrangement.

Where the Group and the Company pay for services of employees using the share grants, the fair value of the share grants which is determined using the observable market price of the shares at the grant date is recognised as an employee benefit expense in the statement of profit or loss over the vesting periods, with a corresponding increase in equity.

When the shares of the Company are acquired from the open market at market price using cash incentive payable to employees under the incentive arrangement, the transactions are recorded in share-based payments reserve and are recognised as an employee benefit expense in the statement of profit or loss over the vesting periods.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and the number of shares that are expected to vest by the vesting date. At each reporting date, the Group and the Company revise this estimated number of shares and any revision of this estimate is included in the statement of profit or loss and with the corresponding adjustment in equity.

Non-market vesting conditions attached to the transactions are not taken into account in determining fair value. Non-market vesting and service conditions are included in assumptions about the number of shares that are expected to vest.

When share grants are forfeited due to failure by the employee to satisfy the service and/or performance conditions, any expenses previously recognised in relation to such share grants are reversed effective on the date of the forfeiture.

If the share grants expire or lapse, the corresponding share-based payments reserve attributable to the share grants are transferred to retained earnings.

In the separate financial statements of the Company, the fair value of the share grants offered to employees of the subsidiary in exchange for the services of employees to the subsidiary are treated as a capital contribution and thus recognised as investment in subsidiary, with a corresponding credit to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income recognition

(i) Revenue from contract with customers

Telecommunications revenue

Revenue from prepaid services is recognised when services are rendered. Consideration from the sale of prepaid sim cards and reload vouchers to customers where services have not been rendered at the reporting date is deferred as contract liability until actual usage or when the cards, vouchers or reloaded amounts are expired or forfeited.

Postpaid services are provided in postpaid packages which consist of a series of promised services including voice, data, text, digital and other converged telecommunications services. As the services are separately identifiable and the customers can benefit from each of the services on its own, each service is accounted for as a separate performance obligation.

For postpaid usage-based plans, revenue is recognised when the customers use the services and is measured at the consideration specified in the contract.

Fixed fee postpaid service plans may include services which provide customers with limited and unlimited usage for the respective services within the plan. For services with unlimited usage, revenue is recognised proportionately over the fixed fee billing period based on the consideration allocated for the service. For services with limited usage, revenue is recognised when the customer utilises their entitled usage and is measured based on the consideration allocated for the service. Services with limited usage can be utilised up to the end of the fixed fee period. At the end of the fixed fee period, the remaining consideration allocated for the service which has not been utilised is recognised as revenue in full.

The consideration specified in the contract is adjusted for expected discounts and rebates for contracts which offer discounted rates when certain volume commitments are met, to the extent that it is highly probable that a significant reversal will not occur. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. As the amount billed to customer is higher than the transaction price, a contract liability is recognised.

Postpaid packages are either sold separately or bundled together with the sale of a device to a customer. Devices can also be obtained separately from other device retailers and can be used together with the postpaid packages provided by the Group. As postpaid packages and devices are capable of being distinct and separately identifiable, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices ("RSSP") of the postpaid packages and device.

Stand-alone selling prices are based on observable sales prices; however, where stand-alone selling prices are not directly observable, estimates will be made maximising the use of observable inputs.

Sale of device

Revenue from sale of device is recognised at the point in time when control of the asset is transferred to the customer, usually on delivery and acceptance of the device.

Payment for the transaction price of the device is typically collected at the point the customer signs up for the bundled contract, except for bundled packages that have a payment structure allowing customers to pay for the device over a period of up to 36 months. For these arrangements, the Group discounts the transaction price using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income recognition (continued)

(i) Revenue from contract with customers (continued)

Sale of device (continued)

A contract asset is recognised when the Group delivers the devices before the payment is due. If the payment happens before the delivery of the device then a contract liability is recognised. Contract assets and contract liabilities are presented within receivables and payables respectively in the statement of financial position.

Devices and equipment that are transferred as part of a fixed line telecommunications services bundled package which can only be used together with the services provided by the Group, are considered as a single performance obligation in telecommunications services revenue.

The contract for sale of devices does not give the customers a right of return nor responsibilities within the ambit of device manufacturer's warranty.

When another party is involved in providing devices to a customer, the Group is a principal in such arrangements when it controls the devices before they are transferred to the customers. As the principal, the Group recognises revenue on the gross consideration allocated to the devices with the corresponding direct costs of satisfying the contract.

Customer loyalty programme

The Group operates a loyalty programme which may provide the customers a material right to acquire future products and services from the Group or selected partner vendors of the Group for free or at a discount.

Where there is a material right to the customer, a portion of the consideration specified in the contract is allocated to the material right on a RSSP basis. The consideration allocated is recognised as a contract liability. Revenue is only recognised when the material rights such as free goods or discounts are redeemed or expired.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are presented within "Receivables, deposits and prepayments" of the statement of financial position.

(iii) Contract liabilities

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customer, whichever is earlier. Contract liabilities are presented within "Payables and accruals" of the statement of financial position.

Contract liabilities are recognised as revenue when the Group performs under the contract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income recognition (continued)

(iv) Dividend income

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

(v) Interest income

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

(v) Incremental costs incurred to acquire a contract

The direct and incremental costs of acquiring a contract including, for example, sales commissions are recognised as contract cost assets as these are incremental costs that would not have been incurred by the Group if the respective contracts had not been obtained. The Group expects to recover these costs in the future through telecommunications services revenue earned from the customer. These are amortised consistently over the term of the specific contract to which the cost relates to.

Where the costs incurred to acquire a contract are in respect of contracts with amortisation period of less than one year, these are recognised as an expense when incurred in line with the practical expedient elected by the Group.

Amortisation of contract acquisition costs is presented within traffic, device, commissions and other direct costs within the statement of profit or loss.

An impairment loss is recognised to profit or loss to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of considerations that the Group expects to receive for the specific contract that the cost relate to less additional costs required to complete the specific contract.

(w) Government grants

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

Government grants relating to costs are recognised as income in the statement of profit or loss to match them with the expenses they are intended to compensate in the period they are incurred.

Government grants relating to the purchase of assets are included in payables and accruals as government grant and are credited to the statement of profit or loss as income on a straight-line basis over the expected useful lives of the related assets.

(x) Contingent liabilities

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Critical accounting estimates and assumptions

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

Critical accounting estimates and assumptions – Group

(a) Estimated useful lives and impairment assessment of intangible assets - spectrum rights

In determining the estimated useful life of spectrum rights, the Group has considered factors such as developments in the regulatory environment, expected use of the assets, contractual periods of the spectrum assignments, technical and technological developments, experience as well as cost of renewal of the rights. A change in the intangible asset's useful life is accounted for as a change in an accounting estimate.

The estimated useful life reflects the Group's expectation of the period over which the Group will continue to recover benefits from the assets. The useful life is periodically reviewed, taking into consideration any significant event or change in circumstances which affects the Group's assessment such as change in technology and regulatory landscape.

Any reduction in the estimated useful life would increase amortisation charges to the statement of profit or loss and decrease the carrying amounts of the assets. See Note 16 to the financial statements for the impact of the changes in the estimated useful life of spectrum rights.

(b) Impairment assessment of intangible assets - goodwill

Goodwill is not amortised but is tested annually for impairment or more frequent if events or changes in circumstances indicate that it might be impaired. When performing an impairment testing, the carrying amount of goodwill is allocated to the converged telecommunications services and solutions CGU. The recoverable amount of a CGU is determined based on value-in-use calculations.

The key assumptions used in the value-in-use calculations require management's estimates and are most likely to be sensitive to changes in compounded revenue and EBITDA (i.e. profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs) annual growth rates in the projection period. See Note 16 to the financial statements for the key assumptions on the impairment assessment of goodwill.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions – Group (continued)

(c) Estimated useful lives and impairment assessment of property, plant and equipment and intangible assets - software

The Group reviews annually the estimated useful lives and assesses for indicators of impairment of property, plant and equipment and software within the intangible assets based on factors such as business plans and strategies, historical sector and industry trends, general market and economic conditions, regulatory landscape, expected level of usage, future technological developments and other available information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. Any impairment or reduction in the estimated useful lives would increase charges to the statement of profit or loss and decrease their carrying value. See Note 15 to the financial statements for the impact of the changes in the estimated useful lives of property, plant and equipment.

(d) Provisions for liabilities and charges

The Group recognises provisions for liabilities and charges when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provision requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate. See Note 27 to the financial statements for the impact on changes in estimates.

(e) Revenue recognition for contracts with customers

<u>Identification of performance obligation</u>

Certain contracts with customers are bundled packages that may include sale of products and telecommunications services that comprise voice, data and other converged telecommunications and solutions services. The Group accounts for individual products and services separately as separate performance obligations if they are distinct promised goods and services, i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it separately. The Group exercises judgments to identify if products and services within the bundled package are distinct as a separate promised products and services. This determination will affect the allocation of consideration specified in the contract and the revenue recognised for each performance obligation.

<u>Principal versus agent</u>

The Group is a principal for sale of devices as the Group controls the device before it is transferred to the customer. In making such an assessment, the Group takes into consideration both the legal form of the contract with its customer and supplier. Revenue from sale of device is recognised on a gross basis and payment to the supplier for device cost is recorded as a direct cost.

<u>Determining stand-alone selling price ("SSP")</u>

The Group has assessed that there are two performance obligations for bundled contracts where the Group needs to allocate the transaction price between the postpaid service and device based on their relative SSP.

SSP for postpaid packages and devices are based on observable sales prices; however, where certain SSP are not directly observable, estimates will be made maximising the use of observable inputs.

The estimation of SSP is a significant estimate as it will directly determine the amount of revenue to be recognised up front (sale of device) and amount of revenue to be recognised over time (telecommunications revenue). For example, a lower SSP for device will result in a lower amount of revenue recognised upfront and higher amount of revenue recognised over the contract period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions – Group (continued)

(f) Income taxes

Significant estimation is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the final tax determination is uncertain at the reporting date. The Group applies consistent tax treatment on such transactions and computations when determining the Group's provision for income taxes for all years of assessment.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of the treatment of contingent liabilities in relation to tax matters is based on the Group's view of the expected outcome of the contingencies after consultation with legal counsel. Details of the contingent liabilities are disclosed in Note 36.

(g) Determining the lease term where the Group acts as a lessee

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract and determines the period for which the contract is enforceable. However, for leases of certain telecommunications network sites, the contract contains an exit clause that is exercisable by both the lessee and lessor with a short notification period. For such contracts, the Group considers whether the lessee and lessor each has the right to terminate the lease without the permission from the other party with no more than an insignificant penalty, in determining the lease term. In determining a penalty, the Group assesses monetary and non-monetary considerations which include amongst others, network cell site relocation effort.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The determination of the lease term is a significant judgment as it will directly affect the recognition of a lease as a short term lease or a right-of-use asset with a corresponding lease liability. For example, a short term lease is recognised as an expense in the profit or loss throughout the lease term while a lease recognised as a right-of-use asset is capitalised and depreciated on a straight line basis over the lease term with a corresponding lease liability measured at the present value of the lease payments.

(h) Provision for expected credit losses of trade receivables and contract assets

The Group applies a simplified approach in calculating ECLs for trade receivables, finance lease receivables and contract assets. To measure the expected loss rates, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. These historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as unemployment rate, interest rate and economic outlook. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group estimates the relationship between historical loss rates and forward-looking information on macroeconomic factors and ECL which may not be representative of a customer's actual default in the future.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions - Company

(a) Investments in subsidiaries

During the year, the net asset position of an investment in a subsidiary was lower than the carrying amount of the investment. Thus, the Company performed an impairment assessment on the carrying amount of its investment against its recoverable amount which was determined based on value-in-use calculations as disclosed in Note 16 to the financial statements. No impairment charge was recognised as the recoverable amount exceeded its carrying amount.

The key assumptions used in the value-in-use calculations are most likely to be sensitive to changes in compounded revenue and EBITDA annual growth rates in the projection period.

5 SEGMENT REPORTING

Segment reporting is not presented as the Group is primarily engaged in providing converged telecommunications services and solutions in Malaysia, whereby the measurement of profit or loss including EBITDA that is used by the chief operating decision-makers is on a Group basis.

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

	Group	
	2021 RM'million	**2020 RM'million**
Malaysia	**8,855**	8,586
Other countries[1]	**348**	380
Total revenue	**9,203**	8,966
EBITDA	**3,838**	3,759

Note:

[1] Represents revenue from roaming and hubbing businesses.

6 REVENUE

		Group		Company	
	Note	**2021 RM'million**	**2020 RM'million**	**2021 RM'million**	**2020 RM'million**
Revenue comprises the following:					
Revenue from contracts with customers	(a)	**9,155**	8,918	**-**	-
Lease income	(b)	**48**	48	**-**	-
Dividend income from subsidiaries		**-**	-	**1,412**	1,329
		9,203	8,966	**1,412**	1,329

6 REVENUE (CONTINUED)

(a) Revenue from contracts with customers

	Group	
	2021 RM'million	2020 RM'million
(i) Disaggregation of revenue from contracts with customers:		
- Telecommunications services and solutions		
- postpaid	4,025	3,904
- prepaid	2,715	2,813
- others	1,192	1,070
	7,932	7,787
- Sale of devices	1,223	1,131
	9,155	8,918
(ii) Timing of revenue recognition:		
- at a point in time	2,575	2,753
- over time	6,580	6,165
	9,155	8,918

(b) Lease income

The Group leases certain network telecommunications sites under operating leases. The leases run for a period of 3 months to 3 years (2020: 3 months to 3 years).

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	Group	
	2021 RM'million	2020 RM'million
Within one year	25	23
Later than one year but not later than five years	18	16
	43	39

(c) Unsatisfied performance obligations

The revenue expected to be recognised in the next financial year in relation to performance obligations that are unsatisfied as at the reporting date is as follows:

	Group	
	2021 RM'million	2020 RM'million
Telecommunications services	1,820	1,804

Management expects that all of the transaction price allocated to the unsatisfied performance obligations as at the end of the financial year will be recognised as revenue within the next 36 months (2020: 24 months).

7 STAFF AND RESOURCE COSTS

	Group	
	2021	**2020**
	RM'million	**RM'million**
Wages, salaries and bonuses	**562**	507
Defined contribution plan	**79**	71
Other short-term employee benefits	**67**	72
Share-based payments	**27**	20
	735	670

Staff and resource costs include remuneration of key management personnel excluding Directors of the Company as disclosed in Note 8(b) to the financial statements.

8 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Directors' remuneration

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'million	**RM'million**	**RM'million**	**RM'million**
Non-Executive Directors				
Fees	**3**	3	**3**	3
Estimated monetary value of benefits-in-kind	*	*	*	*
Total Directors' remuneration	**3**	3	**3**	3

* Less than RM1 million.

8 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) Key management personnel remuneration

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

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

	Group	
	2021 RM'million	2020 RM'million
Salaries and other short-term employee benefits	32	30
Defined contribution plan	1	1
Share-based payments	11	7
Estimated monetary value of benefits-in-kind	1	1
	45	39

Total key management personnel remuneration of the Group and of the Company for the financial year is RM48 million (2020: RM42 million) and RM3 million (2020: RM3 million) respectively.

9 DEPRECIATION AND AMORTISATION

		Group	
	Note	2021 RM'million	2020 RM'million
Depreciation of:			
- property, plant and equipment	15	1,162	1,131
- right-of-use assets	17	306	282
Amortisation of intangible assets	16	181	62
		1,649	1,475

10 FINANCE INCOME AND COSTS

	Note	Group 2021 RM'million	Group 2020 RM'million	Company 2021 RM'million	Company 2020 RM'million
(a) Finance income					
Interest income on:					
- deposits with licensed banks		**22**	17	*	*
- loans due from a subsidiary		**-**	-	**15**	13
- receivables		**38**	67	**-**	-
		60	84	**15**	13
(b) Finance costs					
Accretion of site rectification and decommissioning works costs and changes in costs estimate on provision (net)	27	**12**	11	**-**	-
Interest expense on:					
- borrowings		**327**	343	**-**	-
- deferred payment creditors		**23**	28	**-**	-
- lease liabilities	17	**109**	106	**-**	-
Net fair value loss on interest rate swap ("IRS"):					
- cash flow hedge, reclassified from equity	31(c)	*	*	**-**	-
Others		**2**	1	*	*
		473	489	*	*

* Less than RM1 million.

11 PROFIT BEFORE TAX

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

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Impairment of receivables and deposits (net)	32(b)	**76**	307	**-**	-
Amortisation of:					
- contract cost assets	21(e)	**197**	146	**-**	-
- intangible assets	16	**181**	62	**-**	-
Auditors' remuneration:					
- fees for statutory audits:					
- auditors of the Group		**1**	1	*	*
- fees for audit related services:					
- auditors of the Group[(1)]		**1**	1	*	*
- others		*	*	**-**	-
- fees for other services:					
- member firms of PwC Malaysia[(2)]		**3**	5	*	*
Bad debts recovered		**(59)**	(39)	**-**	-
Commissions and incentives		**358**	340	**-**	-
Depreciation of:					
- property, plant and equipment	15	**1,162**	1,131	**-**	-
- right-of-use assets	17	**306**	282	**-**	-
Device expenses		**1,442**	1,272	**-**	-
Fair value (gains)/losses on forward foreign exchange contracts					
- realised		**(2)**	2	**-**	-
- unrealised		**(1)**	1	**-**	-
Government grant		**(236)**	(255)	**-**	-
Inter-operator traffic expenses		**551**	625	**-**	-
Licences and Universal Service Provision ("USP") contributions under the Communications and Multimedia Act, 1998 and subsidiary legislation		**378**	370	**-**	-

Notes:

(1) Fees incurred in connection with performance of quarter reviews, agreed-upon procedures and regulatory compliance reporting paid or payable to PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146) ("PwC Malaysia"), auditors of the Group and of the Company.

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

* Less than RM1 million

11 PROFIT BEFORE TAX (CONTINUED)

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

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Losses/(gain) on foreign exchange:					
- realised		**1**	8	*	*
- unrealised		**3**	(6)	-	-
Management fees charged by a subsidiary		**-**	-	**3**	3
Property, plant and equipment:					
- losses on disposal		**1**	*	-	-
- net allowance for impairment	15	**10**	2	-	-
- write-offs	15	**21**	29	-	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	27	**(3)**	*	-	-
- staff incentive scheme (included in staff and resource costs)	27	**121**	102	-	-
Rental of:	17				
- equipment		**12**	14	-	-
- land and buildings		**14**	12	-	-
- network cell sites		**47**	40	-	-
Termination of lease contracts		**(18)**	(3)	-	-

* Less than RM1 million.

12 TAX EXPENSES

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Current tax:					
- current year		**268**	300	**3**	3
- over accruals in prior year		**(5)**	(13)	**(*)**	(*)
		263	287	**3**	3
Deferred tax:					
- origination and reversal of temporary differences		**191**	173	-	-
- recognition and reversal of prior years' temporary differences		**3**	10	-	-
- changes in tax rate		**(3)**	-	-	-
	23	**191**	183	-	-
Tax expenses		**454**	470	**3**	3

* Less than RM1 million.

12 TAX EXPENSES (CONTINUED)

The Malaysian Budget 2022 introduces a one-off increase in the corporate tax rate to 33% on chargeable income that exceeds RM100 million for year of assessment 2022. The computation of deferred tax assets and liabilities has been adjusted to reflect such change.

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

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Numerical reconciliation between the Malaysian tax rate and average effective tax rate				
Malaysian tax rate	**24**	24	**24**	24
Tax effects of:				
- expenses not deductible for tax purposes	**2**	2	**1**	1
- recognition and reversal of prior years' temporary difference	**1**	-	**-**	-
- over accruals in prior years	**-**	(1)	**-**	-
- change in tax rate	**(1)**	-	**-**	-
- income not subject to tax	**-**	-	**(24)**	(24)
Average effective tax rate	**26**	25	**1**	1

13 EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2021	2020
Profit attributable to the equity holders of the Company (RM'million)	**1,308**	1,382
Weighted average number of issued ordinary shares ('million)	**7,825**	7,822
Basic earnings per share (sen)	**16.7**	**17.7**

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issuance of the Company is adjusted to assume full conversion of all dilutive potential ordinary shares to be issued by the Company.

Share grants are treated as contingently issuable shares because their issuance is contingent upon satisfying specified vesting conditions comprising, amongst others, performance targets and/or conditions, as disclosed in Note 30(a) to the financial statements, in addition to the passage of time. They are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the financial year.

13 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

	Group	
	2021	2020
Profit attributable to the equity holders of the Company (RM'million)	1,308	1,382
Weighted average number of issued ordinary shares ('million)	7,825	7,822
Adjustment for LTIP ('million)	4	3
Adjusted weighted average number of ordinary shares for diluted earnings per share ('million)	7,829	7,825
Diluted earnings per share (sen)	16.7	17.7

14 DIVIDENDS

	Group and Company			
	2021		2020	
	Sen	RM'million	Sen	RM'million
Single-tier tax-exempt ordinary dividends				
- In respect of previous financial year				
- fourth and special interim (2020: fourth interim)	5.0	391	5.0	391
- In respect of current financial year				
- first interim	4.0	313	4.0	313
- second interim	4.0	313	4.0	313
- third interim	4.0	313	4.0	313
	17.0	1,330	17.0	1,330

Subsequent to the financial year, on 24 February 2022, the Directors declared a fourth and special interim single-tier tax-exempt dividend of 4.0 sen and 1.0 sen respectively per ordinary share in respect of the financial year ended 31 December 2021 which will be paid on 31 March 2022.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2021.

15 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land RM'million	Buildings RM'million	Telecom-munications equipment RM'million	Motor vehicles RM'million	Office furniture, fittings and equipment RM'million	Capital work-in-progress RM'million	Capital inventories RM'million	Total RM'million
2021									
Net book value									
At 1 January		11	53	4,124	3	302	325	113	4,931
Additions		-	-	-	1	2	1,327	177	1,507
Changes in cost estimates	27	-	-	(6)	-	-	-	-	(6)
Depreciation	9	-	(1)	(986)	(1)	(174)	-	-	(1,162)
Impairment		-	-	-	-	-	-	(10)	(10)
Transfers		-	-	1,098	-	137	(1,058)	(177)	-
Reclassification to intangible assets	16	-	-	(1)	-	(44)	-	-	(45)
Disposal		-	-	-	-	-	-	(1)	(1)
Write offs		-	-	(18)	-	(3)	-	-	(21)
At 31 December		11	52	4,211	3	220	594	102	5,193
At 31 December 2021									
Cost		11	75	10,904	22	1,719	594	118	13,441
Accumulated depreciation		-	(23)	(6,693)	(19)	(1,499)	-	-	(8,232)
Accumulated impairment		-	-	-	-	-	-	(16)	(16)
Net book value		11	52	4,211	3	220	594	102	5,193

* Less than RM1 million.

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Freehold land RM'million	Buildings RM'million	Telecom-munications equipment RM'million	Motor vehicles RM'million	Office furniture, fittings and equipment RM'million	Capital work-in-progress RM'million	Capital inventories RM'million	Total RM'million
2020									
Net book value									
At 1 January		11	55	3,992	6	362	408	88	4,922
Additions		-	-	-	1	1	906	264	1,172
Changes in cost estimates	27	-	-	*	-	-	-	-	*
Depreciation	9	-	(2)	(950)	(4)	(175)	-	-	(1,131)
Impairment		-	-	-	-	-	-	(2)	(2)
Transfers		-	-	1,110	-	115	(989)	(236)	-
Disposal		-	-	-	-	-	-	(1)	(1)
Write offs		-	-	(28)	-	(1)	-	-	(29)
At 31 December		11	53	4,124	3	302	325	113	4,931
At 31 December 2020									
Cost		11	75	10,298	19	1,682	325	119	12,529
Accumulated depreciation		-	(22)	(6,174)	(16)	(1,380)	-	-	(7,592)
Accumulated impairment		-	-	-	-	-	-	(6)	(6)
Net book value		11	53	4,124	3	302	325	113	4,931

* Less than RM1 million.

During the financial year, the Group revised the useful lives of certain telecommunications equipment ranging from 4 to 10 years (2020: 4 to 20 years), to remaining useful lives ranging from 1 to 7 years (2020: 1 month to 10 years). The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year has increased by RM10 million (2020: decreased by RM25 million).

16 INTANGIBLE ASSETS

Group	Note	Goodwill RM'million	Telecom-munications licences RM'million	Spectrum rights RM'million	Other spectrum rights RM'million	Customer relationships RM'million	Software RM'million	Software development RM'million	Total RM'million
2021									
Net book value									
At 1 January		9,565	*	1,396	9	*	452	39	11,461
Additions		16	-	-	18	-	61	54	149
Transfers		-	-	-	-	-	64	(64)	-
Reclassification from property, plant and equipment	15	-	-	-	-	-	45	-	45
Amortisation charge		-	-	(59)	(27)	(*)	(95)	-	(181)
At 31 December		9,581	*	1,337	-	-	527	29	11,474
At 31 December									
Cost		9,581	*	1,396	73	*	713	29	11,792
Accumulated amortisation		-	-	(59)	(73)	(*)	(186)	-	(318)
Net book value		9,581	*	1,337	-	-	527	29	11,474

* Less than RM1 million.

16 INTANGIBLE ASSETS (CONTINUED)

Group	Note	Goodwill RM'million	Telecom-munications licences RM'million	Spectrum rights RM'million	Other spectrum rights RM'million	Customer relationships RM'million	Software RM'million	Software development RM'million	Total RM'million
2020									
Net book value									
At 1 January		9,530	*	1,396	-	-	290	94	11,310
Additions		35	-	-	18	*	52	108	213
Transfers		-	-	-	-	-	163	(163)	-
Amortisation charge		-	-	-	(9)	(*)	(53)	-	(62)
At 31 December		9,565	*	1,396	9	*	452	39	11,461
At 31 December									
Cost		9,565	*	1,396	55	*	532	39	11,587
Accumulated amortisation		-	-	-	(46)	(*)	(80)	-	(126)
Net book value		9,565	*	1,396	9	*	452	39	11,461

* Less than RM1 million.

Included in intangible assets are goodwill and telecommunications licences with allocated spectrum of RM10,926 million acquired as part of a business combination completed in financial year 2009. During the financial year, the Group has separately presented these intangible assets into 3 classes, i.e. goodwill, spectrum rights and telecommunications licences. As a result of this, the comparatives have also been re-presented to conform with the current presentation. The change in presentation has no impact on the financial statements of the Company.

(i) Spectrum rights

Spectrum rights consist of rights to spectrum bands previously acquired as part of a business combination in financial year 2009 which includes the frequency band of 900MHz and 2100MHz. As disclosed in Note 21(d) to the financial statements, these spectrums were reissued to the Group in the form of Spectrum Assignment ("SA") with some upfront price component fees for which the Group has paid in full ("SA fee paid").

As disclosed in Note 37, the revised Standard Radio System Plans ("SRSP") have affected Maxis' ability to repurpose its spectrum to radiate future radio technologies beyond 4G and have consequential impact to the Group's estimated useful life of the spectrum rights. Therefore, the Group has reassessed the expected useful life of the spectrum rights with a carrying amount of RM1,396 million as at 1 July 2021. This resulted in a revision in the useful life of the spectrum rights from indefinite to a finite life. The useful life of the spectrum rights is estimated based on the remaining SA term of the respective spectrum bands. The SA for 900MHz was issued in July 2017 for 15 years whilst the SA for 2100 MHz was issued in April 2018 for 16 years.

This change in accounting estimate resulted in the recognition of an additional amortisation expense of RM59 million and deferred tax credit of RM4 million during the financial year ended 31 December 2021. The annualised impact of this change is an additional amortisation expense of RM119 million and deferred tax credit of RM29 million. The change in accounting estimate has no impact on the financial statements of the Company.

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16 INTANGIBLE ASSETS (CONTINUED)

(i) Spectrum rights (continued)

The Group reviews the useful life of the spectrum rights at each reporting date period to determine if there are changes in the circumstances which the estimate is based on or when new information is available. These changes will be accounted for as a change in estimate by adjusting the amortisation of the intangible assets in the period of change and remaining useful life of the intangible assets. If the estimated useful life is extended for another 5 years, the total amortisation charges will reduce and profit before tax will increase by RM36 million per annum, and profit after tax will increase by RM27 million per annum.

(ii) Goodwill

Included in the carrying value is goodwill worth RM9,530 million (2020: RM9,530 million) that arose from the Company's acquisition of the entire issued and paid-up share capital of the subsidiaries previously held by Maxis Communication Berhad pursuant to a restructuring exercise completed in financial year 2009 to consolidate the telecommunications operations in Malaysia under the Company.

During the financial year, the Group completed its acqui-hire of specialist professionals from a Malaysian based company that provide cloud solution services (2020: two Malaysian based companies that provide unified communication and cloud solutioning services) to enhance the Group's capacity and capabilities to support the Group's corporate customers. These acqui-hires were accounted for as business combinations under MFRS 3.

The Group paid RM10 million (2020: RM18 million) in cash for the abovementioned acqui-hire with the remaining purchase consideration recognised as deferred contingent consideration as disclosed in Note 28. The Group recognised RM16 million (2020: RM35 million) goodwill for the acqui-hire and allocated it to the converged telecommunications services and solutions CGU as the acqui-hire provides synergy to the Group's existing business.

Impairment testing for CGU containing goodwill and telecommunications licences

For the purpose of impairment testing, the carrying amounts of goodwill and telecommunications licences are allocated to the converged telecommunications services and solutions CGU. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on internally approved financial budgets covering a five-year (2020: five-year) period.

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

(a) compounded revenue and EBITDA annual growth rates of 9% and 4% (2020: 8% and 4%) respectively for five years financial budget period which reflect management's expectations based on past experience, current developments of MyDigital initiatives and 5G single wholesale network ("SWN") as disclosed in Note 37 to the financial statements, current regulatory landscape and future expectations of business performance;

(b) post-tax discount rate of 7.8% (2020: 7.8%). In accordance with the requirements of MFRS 136 "Impairment of Assets", this translates into a pre-tax discount rate of 13.5% (2020: 13.4%). The discount rates used reflect specific risks relating to the converged telecommunications services and solutions CGU; and

(c) terminal growth rate of 2.7% (2020: 2.7%) represents the growth rate applied to extrapolate pre-tax cash flow beyond the five (2020: five) year financial budget period. This growth rate is based on management's assessment of future trends in the mobile telecommunications industry, new growth opportunities in fixed broadband and enterprise business, using both external and internal sources.

Based on the sensitivity analysis performed, the Directors have concluded that any variation of 10% (2020: 10%) in the base case assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

17 RIGHT-OF-USE ("ROU") ASSETS

(i) Amounts recognised in the statement of financial position

Group	Note	Land and network infrastructure RM'million	Offices and customer service centers RM'million	Total RM'million
2021				
At 1 January		**1,632**	**135**	**1,767**
Additions		**531**	**11**	**542**
Terminations		**(175)**	**(1)**	**(176)**
Depreciation	9	**(271)**	**(35)**	**(306)**
Remeasurement[1]		**28**	**(1)**	**27**
At 31 December		**1,745**	**109**	**1,854**
2020				
At 1 January		1,754	164	1,918
Additions		145	8	153
Terminations		(34)	-	(34)
Depreciation	9	(245)	(37)	(282)
Remeasurement[1]		12	*	12
At 31 December		1,632	135	1,767

Notes:
[1] Remeasurement due to revision in lease term and lease payments.
* Less than RM1 million.

(ii) Amounts recognised in the statement of profit or loss

	Note	Group 2021 RM'million	Group 2020 RM'million
Interest expense	10(b)	**109**	106
Rental expenses relating to short-term leases	11	**73**	66
		182	172

(iii) Amounts recognised in the statement of cash flows

	Group 2021 RM'million	Group 2020 RM'million
Payments of finance costs	**109**	106
Repayment of lease liabilities	**264**	241
Total cash outflows for leases	**373**	347

18 INTERESTS IN SUBSIDIARIES

		Company	
		2021	2020
	Note	RM'million	RM'million
Non-current asset:			
- investments in subsidiaries	(a)	**25,135**	25,118
Current asset:			
- loans due from a subsidiary	(b)	**308**	227
Current liability:			
- amount due to a subsidiary	(c)	*	*
		25,443	25,345

* Less than RM1 million.

(a) Investments in subsidiaries

	Company	
	2021	2020
	RM'million	RM'million
Unquoted shares, at carrying value		
At cost	**25,094**	25,084
Fair value of share grants, over the Company's equity instruments for employees of subsidiaries, net of shares issued	**41**	34
	25,135	25,118

During the current financial year, the net asset position of an investment in a subsidiary was lower than the carrying amount of the investment. Thus, the Company performed an impairment assessment on the carrying amount of its investment against its recoverable amount which was determined based on value-in-use calculations as disclosed in Note 16 to the financial statements, adjusted for the financing cash flows forecast of the subsidiary. No impairment charge was recognised as the recoverable amount exceeded its carrying amount. Based on the sensitivity analysis performed, the Directors have concluded that any variation of 10% (2020: 10%) in the base case assumptions would not cause the carrying amount of the investment to exceed its recoverable amount.

18 INTERESTS IN SUBSIDIARIES (CONTINUED)

a) Investments in subsidiaries (continued)

Information on the subsidiaries is as follows:

Name	Country of incorporation and place of business	Principal activities	Proportion of ownership interests held by the Group	
			2021	2020
Advanced Wireless Technologies Sdn. Bhd. ("AWTSB") (Registration No. 200001014945 (517551-U))	Malaysia	Provider of wireless multimedia related services.	100%	100%
Maxis Broadband Sdn. Bhd. (Registration No. 199201002549 (234053-D))	Malaysia	Provider of a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions to its holding companies, fellow subsidiaries and related parties.	100%	100%
Maxis Collections Sdn. Bhd. (Registration No. 199601010926 (383275-M))	Malaysia	Pre-operating.	100%	100%
Maxis International Sdn. Bhd. (Registration No. 199201008568 (240071-T))	Malaysia	Provision of telecommunications services.	100%	100%
Maxis Mobile Sdn. Bhd. ("MMSB") (Registration No. 199101019555 (229892-M))	Malaysia	Operator of mobile telecommunications services for special niche projects such as USP.	100%	100%
Maxis Mobile Services Sdn. Bhd. ("MMSSB") (Registration No. 198101007199 (73315-V))	Malaysia	Provision of mobile telecommunications services for special niche projects such as USP.	100%	100%
Subsidiary of AWTSB				
UMTS (Malaysia) Sdn. Bhd. (Registration No. 200001017815 (520422-D))	Malaysia	Dormant.	100%	100%
Subsidiary of MMSB				
Maxis Mobile (L) Ltd (LL-01709)[1]	Malaysia	Holder of investments.	100%	100%

Note:

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

18 INTERESTS IN SUBSIDIARIES (CONTINUED)

(b) Loans due from a subsidiary - Interest bearing

At the end of the financial year, the loans due from a subsidiary are unsecured, carry interests between 3.13% to 3.40% (2020: 4.18% to 4.25%) per annum and maturity dates from 29 March 2022 to 8 April 2022 (2020: 9 April 2021).

Management has assessed the loans due from a subsidiary on an individual basis for ECL measurement and the identified impairment loss as at reporting date was immaterial.

(c) Amount due to a subsidiary - Non-interest bearing

The amount due to subsidiary was unsecured and with 30 days' credit period (2020: 30 days).

19 FINANCIAL INSTRUMENTS BY CATEGORY

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Financial assets:					
Loans due from a subsidiary	18	-	-	**308**	227
Receivables and deposits		**1,371**	1,710	*	*
Amounts due from related parties	25	*	11	-	-
Deposits, cash and bank balances	26	**1,191**	735	**32**	20
Financial assets at amortised costs		**2,562**	2,456	**340**	247
Financial assets at FVOCI	20	**4**	4	**4**	4
Derivative financial instruments	22	*	-	-	-
Financial liabilities:					
Payables and accruals		**3,043**	3,030	**1**	*
Amount due to a subsidiary	18	-	-	*	*
Amounts due to related parties	25	**20**	17	-	-
Borrowings	29	**10,090**	9,763	-	-
Financial liabilities at amortised costs		**13,153**	12,810	**1**	*
Other payables and accruals		**22**	19	-	-
Derivative financial instruments	22	**9**	22	-	-
Financial liabilities at fair value through profit or loss		**31**	41	-	-

* Less than RM1 million.

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Company	
	2021 RM'million	2020 RM'million
Unquoted shares	**4**	4
less: accumulated impairment losses	**-**	(*)
	4	4

* Less than RM1 million.

The Group and the Company have 10% interests in Bridge Mobile Pte. Ltd. ("Bridge Mobile"). Bridge Mobile manages a mobile alliance of various operators and coordinates its activities amongst its shareholders, other mobile operators in the Asia Pacific region and technology vendors.

The Group had one-twenty fourth (1/24th) interests in Konsortium Rangkaian Serantau Sdn. Bhd. ("KRSSB"). This entity was formed for the purpose of implementing one of the entry point projects to lower the costs of Internet Protocol transit and domestic bandwidths by aggregating capacity of its shareholders to secure lower prices from suppliers. The investment had been fully written off during the financial year.

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Non-current					
Trade receivables	(a)	138	108	-	-
Finance lease receivables	(b)	*	6	-	-
Contract assets	(c)	65	60	-	-
Prepayments	(d)	601	662	-	-
Contract cost assets, net of amortisation	(e)	114	116	-	-
		918	952	-	-
Impairment:	32(b)				
- trade receivables		(1)	(3)	-	-
- finance lease receivables		(*)	(*)	-	-
- contract assets		(2)	(2)	-	-
		(3)	(5)	-	-
		915	947	-	-
Current					
Trade receivables	(a)	984	1,273	-	-
Other receivables		157	281	5	5
Deposits		225	218	*	*
Finance lease receivables	(b)	9	24	-	-
Contract assets	(c)	209	147	-	-
Prepayments	(d)	204	190	*	-
Contract cost assets, net of amortisation	(e)	166	144	-	-
		1,954	2,277	5	5
Impairment:	32(b)				
- trade receivables		(105)	(168)	-	-
- other receivables		(1)	(2)	-	-
- deposits		(35)	(26)	-	-
- finance lease receivables		(*)	(1)	-	-
- contract assets		(6)	(7)	-	-
		(147)	(204)	-	-
		1,807	2,073	5	5
		2,722	3,020	5	5

* Less than RM1 million.

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables

Gross trade receivables include receivables on deferred payment terms amounting to RM421 million (2020: RM611 million), which allow eligible customers to purchase devices with up to 36 monthly installment payments. Other than that, the Group's credit policy provides trade receivables with credit periods of up to 120 days (2020: up to 60 days).

Trade receivables are secured by customers' deposits and bank guarantees of RM25 million (2020: RM26 million) and RM15 million (2020: RM32 million) respectively.

Information about the impairment of trade receivables and the Group's exposure to credit risk is disclosed in Note 32(b) to the financial statements.

(b) Finance lease receivables

The following table sets out maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021 RM'million	**2020 RM'million**
Less than 1 year	**9**	26
1 to 2 years	*****	6
Total undiscounted lease payment receivables	**9**	32
Unearned finance income	**(*)**	(2)
	9	30

* Less than RM1 million.

(c) Contract assets

	2021	2020
At 1 January	**207**	202
Transfer to receivables	**(358)**	(420)
Additions due to revenue recognised during the year	**425**	425
Net increase during the year	**67**	5
	274	207
Less: Impairment	**(8)**	(9)
At 31 December	**266**	198

(d) Prepayments

The Group's prepayments include the SA fee paid for 900 MHz, 1800 MHz and 2100 MHz SA which are amortised over their underlying SA periods between 15 to 16 years (2020: 15 to 16 years).

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(e) Contract cost assets

	Note	Group 2021 RM'million	Group 2020 RM'million
At 1 January		**260**	222
Capitalisation		**217**	184
Amortisation charge	11	**(197)**	(146)
At 31 December		**280**	260

22 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	Group 2021 RM'million	Group 2020 RM'million
Current assets			
Derivatives designated in hedging relationship			
Forward foreign exchange contracts:			
- cash flow hedge on USD forecast transactions	(b)	*	-
Derivatives not designated in hedging relationship			
Forward foreign exchange contracts	(b)	*	-
		*	-
Current liabilities			
Derivatives designated in hedging relationship			
IRS:			
- cash flow hedge on RM denominated borrowings	(a)	**(8)**	-
Forward foreign exchange contracts:			
- cash flow hedge on USD forecast transactions	(b)	**(*)**	(3)
Derivatives not designated in hedging relationship			
Forward foreign exchange contracts	(b)	**(1)**	(2)
		(9)	(5)
Non-current liabilities			
Derivative designated in hedging relationship			
IRS:			
- cash flow hedge on RM denominated borrowings	(a)	-	(17)
		(9)	(22)

* Less than RM1 million.

22 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) IRS contract

The Group has entered into an IRS contract to hedge its exposure to interest rate risk on borrowings.

The details of the open IRS contract is set out below:

	Group	
	2021	2020
Notional principal (RM'million)	**500**	500
Fixed interest rate	**4.69%**	4.69%

(b) Forward foreign exchange contracts

The Group has entered into forward foreign exchange contracts to hedge against USD/RM exchange rate fluctuations on certain payable balances and forecast transactions. The details of the open forward foreign exchange contracts are set out below:

	Group	
	2021	2020
Notional principal (RM'million equivalent)	**178**	169
Contract value in foreign currency (USD'million)	**42**	41

The Group pays RM in exchange for receiving USD at predetermined exchange rates that range from RM4.17/USD to RM4.26/USD (2020: RM4.07/USD to RM4.21/USD) on the notional amounts at their respective maturity dates.

23 DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		
	31.12.2021 RM'million	31.12.2020 RM'million (Restated)	1.1.2020 RM'million (Restated)
Deferred tax assets	*	*	*
Deferred tax liabilities	**(908)**	(717)	(534)
	(908)	(717)	(534)

* Less than RM1 million.

23 DEFERRED TAXATION (CONTINUED)

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

Group	Note	Property, plant and equipment RM'million	Intangible assets RM'million	Receivables RM'million	Contract cost assets RM'million	Contract liabilities RM'million	Provisions RM'million	Lease liabilities RM'million	Right-of-use asset RM'million	Others RM'million	Total RM'million
2021											
At 31 December, as previously reported		(568)	(58)	(51)	(62)	98	238	466	(424)	(21)	(382)
Opening balance adjustments	35	-	(335)	-	-	-	-	-	-	-	(335)
Restated at 1 January		(568)	(393)	(51)	(62)	98	238	466	(424)	(21)	(717)
(Charged)/credited to statement of profit or loss:											
- origination and reversal of temporary differences	12	(152)	8	(20)	(4)	7	(32)	19	(21)	1	(194)
- changes in tax rate	12	(12)	(8)	(27)	(14)	40	28	24	(24)	(4)	3
At 31 December		(732)	(393)	(98)	(80)	145	234	509	(469)	(24)	(908)

Group	Note	Property, plant and equipment RM'million	Intangible assets RM'million	Receivables RM'million	Contract cost assets RM'million	Contract liabilities RM'million	Provisions RM'million	Investment allowance RM'million	Lease liabilities RM'million	Right-of-use asset RM'million	Others RM'million	Total RM'million
2020												
At 1 January, as previously reported		(509)	(24)	(51)	(53)	93	319	3	501	(460)	(18)	(199)
Opening balance adjustments	35	-	(335)	-	-	-	-	-	-	-	-	(335)
Restated at 1 January		(509)	(359)	(51)	(53)	93	319	3	501	(460)	(18)	(534)
(Charged)/credited to statement of profit or loss:												
- origination and reversal of temporary differences	12	(59)	(34)	*	(9)	5	(81)	(3)	(35)	(36)	(3)	(183)
At 31 December		(568)	(393)	(51)	(62)	98	238	-	466	(424)	(21)	(717)

* Less than RM1 million.

23 DEFERRED TAXATION (CONTINUED)

	Group		
	31.12.2021 RM'million	**31.12.2020 RM'million (Restated)**	**1.1.2020 RM'million (Restated)**
Deferred tax assets (before offsetting):			
- lease liabilities	**509**	466	501
- contract liabilities	**145**	98	93
- provisions	**234**	238	319
- investment allowance	**-**	-	3
	888	802	916
Offsetting	**(888)**	(802)	(916)
Deferred tax assets (after offsetting)	*	*	*
Deferred tax liabilities (before offsetting):			
- right-of-use asset	**(469)**	(424)	(460)
- property, plant and equipment	**(732)**	(568)	(509)
- intangible assets	**(393)**	(393)	(359)
- receivables	**(98)**	(51)	(51)
- contract cost assets	**(80)**	(62)	(53)
- others	**(24)**	(21)	(18)
	(1,796)	(1,519)	(1,450)
Offsetting	**888**	802	916
Deferred tax liabilities (after offsetting)	**(908)**	(717)	(534)

* Less than RM1 million.

24 INVENTORIES

	Group	
	2021 RM'million	**2020 RM'million**
Telecommunications materials and supplies	**3**	2
Devices and equipment	**2**	1
	5	3

25 RELATED PARTIES BALANCES

	Group	
	2021 RM'million	2020 RM'million
Current asset		
Amounts due from related parties	**5**	11
Less: impairment	**(5)**	-
	*	11
Current liability		
Amounts due to related parties	**(20)**	(17)

* Less than RM1 million.

The amounts due from/(to) related parties are trade in nature, unsecured, interest free and with credit periods of up to 90 days (2020: up to 60 days).

26 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Deposits with licensed banks	**1,074**	547	**28**	14
Cash and bank balances	**117**	188	**4**	6
Deposits, cash and bank balances	**1,191**	735	**32**	20
Less: Deposits with maturity more than three months	**(27)**	(30)	**-**	-
Cash and cash equivalents	**1,164**	705	**32**	20

Deposits, cash and bank balances comprise mainly deposits with banks with high credit ratings assigned by international credit rating agencies.

Deposits with licensed banks of the Group and of the Company have an average maturity periods of 45 days (2020: 32 days) and 20 days (2020: 15 days) respectively as at the financial year end. They are held in short-term money market and fixed deposits. Bank balances are deposits held at call with banks.

26 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

Reconciliation of liabilities arising from financing activities:

Group	2020 RM'million	Cash flows[1] RM'million	Non-cash changes: Interest expense RM'million	Non-cash changes: Fair value changes RM'million	Non-cash changes: Non-cash settlement RM'million	Non-cash changes: Additions RM'million	Non-cash changes: Terminations RM'million	Non-cash changes: Remeasurement RM'million	2021 RM'million
Borrowings	7,821	(82)	327	-	-	-	-	-	8,066
Lease liabilities	1,942	(373)	109	-	(29)	542	(194)	27	2,024
Derivative financial liabilities held to hedge borrowings	17	-	-	(9)	-	-	-	-	8
	9,780	(455)	436	(9)	(29)	542	(194)	27	10,098

Group	2019 RM'million	Cash flows[1] RM'million	Non-cash changes: Interest expense RM'million	Non-cash changes: Fair value changes RM'million	Non-cash changes: Non-cash settlement RM'million	Non-cash changes: Additions RM'million	Non-cash changes: Terminations RM'million	Non-cash changes: Remeasurement RM'million	2020 RM'million
Borrowings	7,839	(361)	343	-	-	-	-	-	7,821
Lease liabilities	2,085	(347)	106	-	(29)	153	(38)	12	1,942
Derivative financial liabilities held to hedge borrowings	6	-	-	11	-	-	-	-	17
	9,930	(708)	449	11	(29)	153	(38)	12	9,780

Note:

[1] Excluding interest paid on payables under deferred payment schemes.

27 PROVISIONS FOR LIABILITIES AND CHARGES

Group	Note	Site rectification and decommissioning works RM'million	Staff incentive scheme RM'million	Total RM'million
2021				
At 1 January		**341**	**115**	**456**
Capitalised		**6**	**-**	**6**
Changes in cost estimates:				
- included in profit before tax	11	**(2)**	**-**	**(2)**
- included in property, plant and equipment	15	**(6)**	**-**	**(6)**
(Credited)/charged to statement of profit or loss:				
- included in profit before tax	11	**(1)**	**121**	**120**
- included in finance costs	10(b)	**12**	**-**	**12**
Paid		**(1)**	**(113)**	**(114)**
At 31 December		**349**	**123**	**472**
Represented by:				
Non-current liabilities		**332**	**3**	**335**
Current liabilities		**17**	**120**	**137**
		349	**123**	**472**
2020				
At 1 January		320	118	438
Capitalised		12	-	12
Changes in cost estimates:				
- included in profit before tax	11	(2)	-	(2)
- included in property, plant and equipment	15	*	-	*
Charged to statement of profit or loss:				
- included in profit before tax	11	2	102	104
- included in finance costs	10(b)	11	-	11
Paid		(2)	(105)	(107)
At 31 December		341	115	456
Represented by:				
Non-current liabilities		323	3	326
Current liabilities		18	112	130
		341	115	456

* Less than RM1 million.

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

27 PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Site decommissioning works

As at 31 December 2021, a non-current provision of RM332 million (2020: RM323 million) has been recognised for dismantling, removal and site restoration costs. The provision is estimated using the assumption that decommissioning will only take place upon the expiry of the lease terms (inclusive of secondary terms) of 15 to 30 years (2020: 15 to 30 years).

28 PAYABLES AND ACCRUALS

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Non-current					
Trade payables		**128**	172	**-**	-
Other payables and accruals	(a)	**17**	16	**-**	-
		145	188	**-**	-
Current					
Trade payables and accruals		**2,550**	2,538	**-**	-
Other payables and accruals	(a)	**337**	334	**1**	1
Deposits and advanced payments from customers		**226**	186	**-**	-
Contract liabilities	(b)	**414**	402	**-**	-
Government grant		**528**	537	**-**	-
		4,055	3,997	**1**	1
		4,200	4,185	**1**	1

(a) Other payables and accruals

Included within other payables and accruals are deferred contingent considerations in relation to the business combinations as mentioned in Note 16 amounting to RM22 million (2020: RM19 million) payable upon achievement of certain targets in year 2022 to 2024 (2020: year 2021 to 2023).

(b) Contract liabilities

	Group	
	2021 RM'million	2020 RM'million
At 1 January	**402**	386
Revenue recognised that was included in the contract liability balance at 1 January	**(401)**	(385)
Increases due to cash received, excluding amounts recognised as revenue during the year	**413**	401
At 31 December	**414**	402

28 PAYABLES AND ACCRUALS (CONTINUED)

Current trade and other payables of the Group and of the Company carry credit periods of up to 270 days and 90 days respectively (2020: 210 days and 90 days).

The Group's current and non-current trade payables include RM denominated payables under deferred payment schemes that are repayable on a quarterly basis in 8 or 12 equal instalments from the contract start dates and carry interest rates ranging from 2.57% to 4.08% (2020: 3.05% to 4.30%) per annum as at the reporting date. Repayment profiles of these payables are as follows:

	Group	
	2021 RM'million	2020 RM'million
< 1 year	**378**	565
1-2 years	**116**	164
2-5 years	**8**	-
	502	729

As disclosed in Note 22 to the financial statements, USD denominated payables amounting to USD10 million (2020: USD11 million) are hedged against exchange rate fluctuations using forward foreign exchange contracts for which no hedge accounting is applied.

29 BORROWINGS

		Group	
	Note	2021 RM'million	2020 RM'million
Non-current			
Secured			
Lease liabilities		**1,762**	1,687
Unsecured			
Term loans	(a)	**593**	1,192
Islamic Medium Term Notes	(b)	**3,259**	3,838
Commodity Murabahah Term Financing	(c)	**1,943**	2,293
Business Financing-i	(d)	**499**	498
		8,056	9,508
Current			
Secured			
Lease liabilities		**262**	255
Unsecured			
Term loans	(a)	**500**	-
Islamic Medium Term Notes	(b)	**1,272**	-
		2,034	255
		10,090	9,763

29 BORROWINGS (CONTINUED)

(a) Term loans

(i) RM1.0 billion term loan

This term loan facility carries a term of up to 7 years and is repayable in one lump sum on its maturity date, 27 December 2022.

During the current financial year, the Group partially prepaid RM500 million of this facility, reducing the outstanding facility to RM500 million.

As disclosed in Note 22 to the financial statements, the Group has entered into an IRS contract to hedge the floating interest rate of this term loan facility against the Kuala Lumpur Interbank Offered Rate.

(ii) RM600 million term loan

The Group had drawn down the remaining RM400 million available facility limit during the current financial year. This 7-year facility will expire on 29 December 2027, with 50% of the outstanding facility repayable in 3 equal semi-annual instalments commencing on 29 June 2026 and 50% repayable upon maturity.

(b) Islamic Medium Term Notes - Sukuk Murabahah

The Group has established an Unrated Islamic Medium Term Notes (“Sukuk Murabahah”) Programme with an aggregate nominal value of up to RM10.0 billion, based on the Islamic principle of Murabahah (via a Tawarruq arrangement) (“Unrated Sukuk Murabahah Programme”). The Unrated Sukuk Murabahah Programme has a tenure of 30 years from its first issuance and the Sukuk Murabahah to be issued shall have a tenure of more than 1 year and maturing no later than 27 July 2046. All series of the Sukuk Murabahah are redeemable on their respective maturity dates. The profits are payable semi-annually.

During the current financial year, the Group:

(i) partially repurchased the third series in tranches with an aggregate nominal value of RM1,200 million;

(ii) issued the below Sukuk Murabahah series for a total nominal value of RM1,900 million to finance its capital expenditure and general working capital requirements:

- the sixth series for a nominal value of RM300 million, with a 7-year tenure maturing in March 2028;
- the seventh series for a nominal value of RM900 million, with a 5-year tenure maturing in May 2026;
- the eighth series for a nominal value of RM300 million, with a 5-year tenure maturing in September 2026;
- the ninth series for a nominal value of RM250 million, with a 7-year tenure maturing in September 2028; and
- the tenth series for a nominal value of RM150 million, with an 8-year tenure maturing in August 2029.

As at the reporting date, the total outstanding nominal value of the Sukuk Murabahah amounted to RM4.49 billion (2020: RM3.79 billion) with remaining tenure of 2 months to 8 years (2020: 14 months to 7 years).

Subsequent to the end of the financial year, the Group issued its eleventh to thirteenth series of Sukuk Murabahah for a total nominal value of RM1,100 million with tenure ranging from 5 to 8 years.

(c) Commodity Murabahah Term Financing (“CMTF”)

The Group has a CMTF facility of up to RM2.3 billion based on the Islamic principle of Murabahah and had fully drawn down the facility. This facility expires on 7 April 2024 and is repayable in one lump sum on its expiry date.

During the financial year, the Group partially prepaid RM350 million of this facility, reducing the outstanding facility to RM1.94 billion.

29 BORROWINGS (CONTINUED)

(d) Business Financing-i ("BF-i")

The Group has BF-i facility based on the Islamic principle of Murabahah (via a Tawarruq arrangement) of up to RM500 million. This 7-year facility will expire on 4 June 2027, with RM125 million repayable on 4 June 2026 and the balance repayable upon maturity.

All borrowings are denominated in Ringgit Malaysia which is the functional currency of the Group.

Contractual terms of borrowings

Group	Contractual interest/ profit rate at reporting date (per annum)	Total carrying amount RM'million	Maturity profile < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2021						
Secured						
Lease liabilities	3.96%	2,024	262	250	613	899
Unsecured						
Term loans	0.75% + COF[1]	500	500	-	-	-
	0.85% + KLIBOR[2]	593	-	-	198	395
Islamic Medium Term Notes	3.35% - 5.40%	4,531	1,272	-	2,048	1,211
CMTF	0.70% + COF[1]	1,943	-	-	1,943	-
Business Financing-i	0.70% + COF[1]	499	-	-	125	374
		10,090	2,034	250	4,927	2,879

Notes:

[1] COF denotes Cost of Funds.

[2] KLIBOR denotes Kuala Lumpur Interbank Offered Rate.

29 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

Group	Contractual interest/ profit rate at reporting date (per annum)	Total carrying amount RM'million	Maturity profile < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2020						
Secured						
Lease liabilities	4.18%	1,942	255	237	616	834
Unsecured						
Term loans	0.75% + COF[1]	1,000	-	1,000	-	-
	0.85% + KLIBOR[2]	192	-	-	-	192
Islamic Medium Term Notes	3.35% - 5.40%	3,838	-	2,494	841	503
CMTF	0.70% + COF[1]	2,293	-	-	2,293	-
Business Financing-i	0.70% + COF[1]	498	-	-	-	498
		9,763	255	3,731	3,750	2,027

Notes:

[1] COF denotes Cost of Funds.

[2] KLIBOR denotes Kuala Lumpur Interbank Offered Rate.

30 SHARE CAPITAL

(a) LTIP

The Company's LTIP is governed by the By-Laws which was approved by the shareholders on 28 April 2015 and is administered by the Remuneration Committee which is appointed by the Board of Directors of the Company, in accordance with the By-Laws. The Remuneration Committee may from time to time, offer LTIP to eligible employees (including executive director) of the Group and includes any person who is proposed to be employed as an employee of the Group (including executive director).

The LTIP comprises a Performance Share Grant ("PS Grant") and a Restricted Share Grant ("RS Grant"). The salient features of the LTIP are as follows:

(i) The maximum number of new shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new shares under the LTIP shall not, when aggregated with the total number of new shares allotted and issued under the existing ESOS, exceed 250,000,000 shares at any point of time during the duration of the LTIP. The ESOS had expired in 2019;

(ii) The Remuneration Committee shall decide from time to time at its discretion to determine or vary the terms and conditions of the offer, such as eligibility criteria and allocation for each grant (i.e. the entitlement to receive new shares under the LTIP), the timing and frequency of the award of the grant, the performance target and/or performance conditions to be met prior to offer and vesting of the grant and the vesting period;

30 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

(iii) The total number of new shares that may be offered under the LTIP shall be at the discretion of the Remuneration Committee;

(iv) In the event of any alteration in the capital structure of the Company except under certain circumstances, the Remuneration Committee may make or provide for alterations or adjustments to be made in the number of unvested new shares and/or the method and/or manner in the vesting of the new shares comprised in a grant;

(v) The LTIP shall take effect on the effective date of the implementation of the LTIP and shall be in force for a period of 10 years, expiring on 31 July 2025;

(vi) The new shares to be allotted and issued pursuant to the LTIP shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares and the grant holders shall not be entitled to any dividends, rights, allotments, entitlements and/or any other distributions, for which the entitlement date is prior to the date of issue of the shares; and

(vii) The share grants will only be vested to the eligible employees of the Group (including an executive director) who have duly accepted the offer of grants under the LTIP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

- eligible employees of the Group (including an executive director) must remain in employment with the Group and shall not have given notice of resignation or received a notice of termination of service as at the vesting dates or have left the Group before time of vesting except on a "Good Leaver" basis.

- eligible employees of the Group (including an executive director) having achieved his/her performance target and/or performance condition as stipulated by the Remuneration Committee and as set out in their offer of grants.

During the financial year, 10,500,500 (2020: 8,877,300) PS Grant under the LTIP were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary share in the Company, to be allotted and issued pursuant to the LTIP ("new shares"), upon meeting the vesting conditions as set out in the letter of offer for the new shares. The vesting conditions comprising, amongst others, the performance targets and/or conditions for the period commencing from 1 January 2021 and ending on 31 December 2023, as stipulated by the Remuneration Committee. The vesting date is on 30 June 2024, subject to meeting such performance targets.

30 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

Movement in the number of PS Grant under the LTIP is as follows:

		Number of share grants over ordinary shares in the Company ('million)				
Grant date	Vesting date	Outstanding as at 1 January	Granted	Vested	Forfeited	Outstanding as at 31 December
2021						
27 December 2018	30 June 2021	**7**	**-**	**(3)**	**(4)**	**-**
16 December 2019	30 June 2022	**7**	**-**	**-**	**(1)**	**6**
7 September 2020	30 June 2023	**8**	**-**	**-**	**(*)**	**8**
9 September 2021	30 June 2024	**-**	**10**	**-**	**-**	**10**
		22	**10**	**(3)**	**(5)**	**24**
2020						
4 December 2017	30 June 2020	5	-	(3)	(2)	-
27 December 2018	30 June 2021	7	-	-	(*)	7
16 December 2019	30 June 2022	8	-	-	(1)	7
7 September 2020	30 June 2023	-	9	-	(1)	8
		20	9	(3)	(4)	22

* Less than 1 million.

The weighted average fair value of share grants under the PS Grant based on observable market price was RM4.73 (2020: RM5.10).

Value of employee services received under the LTIP:

	Group		Company	
	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Share-based payment expense	**24**	18	**24**	18
Capitalised as investments in subsidiaries for share-based payments allocated to the employees of the subsidiary	**-**	-	**(24)**	(18)
Total expense recognised as share-based payments	**24**	18	**-**	-

30 SHARE CAPITAL (CONTINUED)

(b) Incentive arrangement

Pursuant to the terms and conditions of the incentive arrangement which forms part of the employment contract which an eligible key management personnel had entered into with the Group, the cash incentives payable to the eligible key management personnel were used to acquire shares of the Company from the open market. During the financial year, 1,395,100 shares (2020: 2,205,000 shares) of the Company were acquired from the open market and are currently held by CIMB Commerce Trustee Berhad or its nominee. Subject to fulfilment of the vesting conditions and the terms of the incentive arrangement, these shares will vest on the eligible key management personnel on a deferred basis. In addition to the eligible key management personnel's interest in these shares, the eligible key management personnel is also deemed interested in such additional number of shares in the Company which shall only be determinable in the future, to be acquired using future cash incentives payable to the eligible key management personnel, pursuant to the terms and conditions of such incentive arrangement.

Movement in the number of shares under the incentive arrangement was as follows:

	Group	
	2021 'million	2020 'million
At 1 January	2	-
Acquired	1	2
At 31 December	3	2

The weighted average fair value of shares acquired under the incentive arrangement based on observable market price was RM4.69 (2020: RM5.32).

The value of employee services received under the incentive arrangement was RM3 million (2020: RM2 million).

31 RESERVES

(a) Merger relief

The merger relief was created prior to the listing and quotation exercise of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad in financial year 2009 ("Listing") where Maxis Communications Berhad ("MCB") implemented a restructuring exercise to consolidate its telecommunications operations in Malaysia under the Company ("Pre-Listing Restructuring"). The Company acquired the entire issued and paid-up share capital of the subsidiaries held by MCB. Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of the subsidiaries is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

(b) Reserve arising from reverse acquisition

The reserve arising from reverse acquisition was created during the Pre-Listing Restructuring exercise where MMSSB was identified as the accounting acquirer in accordance to MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of MMSSB together with the deemed purchase consideration of subsidiaries other than MMSSB and the cash distribution to MCB, is recorded as reserve arising from reverse acquisition.

31 RESERVES (CONTINUED)

(c) Other reserves

Group	Note	Share-based payments RM'million	Cash flow hedging RM'million	Total RM'million
2021				
At 1 January		**69**	**(20)**	**49**
Net change in hedging:				
- fair value gain		**-**	**12**	**12**
- reclassified to finance costs	10(b)	**-**	*****	*****
LTIP:				
- share-based payment expense		**24**	**-**	**24**
- shares issued		**(17)**	**-**	**(17)**
Incentive arrangement:				
- share-based payment expense		**3**	**-**	**3**
- shares acquired		**(7)**	**-**	**(7)**
At 31 December		**72**	**(8)**	**64**
2020				
At 1 January		76	(9)	67
Net change in hedging:				
- fair value loss		-	(11)	(11)
- reclassified to finance costs	10(b)	-	*	*
LTIP:				
- share-based payment expense		18	-	18
- shares issued		(15)	-	(15)
Incentive arrangement:				
- share-based payment expense		2	-	2
- shares acquired		(12)	-	(12)
At 31 December		69	(20)	49

* Less than RM1 million.

31 RESERVES (CONTINUED)

(c) Other reserves (continued)

	Company	
	2021 RM'million	2020 RM'million
Share-based payments		
At 1 January	79	76
LTIP:		
- share-based payment expense	24	18
- shares issued	(17)	(15)
At 31 December	86	79

The share-based payments reserve as at financial year end comprised of:

(a) discount on shares issued to retail investors in relation to the Listing;

(b) fair value of share grants less any shares issued under the LTIP; and

(c) fair value of shares less any shares acquired under the incentive arrangement.

The cash flow hedging reserve represents the deferred fair value gain/(loss) relating to derivative financial instruments used to hedge certain borrowings and forecast transactions of the Group.

32 FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

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

(i) Foreign exchange risk

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

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The currency exposure of financial assets and financial liabilities of the Group and of the Company that are not denominated in the functional currency of the respective companies are set out below. There is no currency risk in respect of intragroup receivables and payables since they are all denominated in the functional currency.

	Currency exposure at 31 December			
Group	**SGD RM'million**	**USD RM'million**	**SDR[1] RM'million**	**Others RM'million**
In functional currency Ringgit Malaysia				
2021				
Receivables and deposits	-	46	3	*
Deposits, cash and bank balances	-	4	-	*
Payables	(4)	(124)	(6)	(5)
Amounts due to related parties, net	-	(6)	*	-
Gross exposure	(4)	(80)	(3)	(5)
Forward foreign exchange contracts:				
- payables	-	43	-	-
Net exposure	(4)	(37)	(3)	(5)
2020				
Receivables and deposits	-	30	25	*
Deposits, cash and bank balances	-	33	-	-
Payables	*	(118)	(33)	*
Amounts due to related parties, net	-	(8)	*	-
Gross exposure	*	(63)	(8)	*
Forward foreign exchange contracts:				
- payables	-	45	-	-
Net exposure	*	(18)	(8)	*

Notes:

(1) SDR, i.e. Special Drawing Rights represents international accounting settlement rate with international carriers.

* Less than RM1 million.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

	Impact on profit before tax for the financial year		Impact on equity[1]	
Group	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
USD/RM				
- strengthened 5% (2020: 5%)	**(2)**	(1)	**9**	6
- weakened 5% (2020: 5%)	**2**	1	**(9)**	(6)

Note:
[1] Represents cash flow hedging reserve

The impacts on profit before tax for the financial year are mainly as a result of foreign currency gains/losses on translating of USD denominated receivables, deposits, bank balances and unhedged payables. For USD payables in a designated hedging relationship, as these are effectively hedged, the foreign currency movements will not have any impact on the statement of profit or loss.

(ii) Interest rate risk

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

The Group manages its cash flow interest rate risk by using interest rate swap contract. Such swap has the economic effect of converting certain borrowing from floating rate to fixed rate.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

Group	Weighted average effective interest/ profit rate at reporting date (per annum) %	Total carrying amount RM'million	Floating interest/ profit rate RM'million	Fixed interest/profit rate < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2021							
Deposits with licensed banks	2.02	1,074	-	1,074	-	-	-
Trade and other payables	2.99	(524)	-	(383)	(129)	(12)	-
Lease liabilities	3.96	(2,024)	-	(262)	(250)	(613)	(899)
Term loans	2.87	(1,093)	(1,093)	-	-	-	-
Islamic Medium Term Notes	4.27	(4,531)	-	(1,272)	-	(2,048)	(1,211)
CMTF	2.88	(1,943)	(1,943)	-	-	-	-
Business Financing-i	2.88	(499)	(499)	-	-	-	-
Gross exposure		(9,540)	(3,535)				
IRS:							
- term loan	4.69		500	(500)	-	-	-
Net exposure			(3,035)				

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

Group	Weighted average effective interest/ profit rate at reporting date (per annum) %	Total carrying amount RM'million	Floating interest/ profit rate RM'million	Fixed interest/profit rate < 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2020							
Deposits with licensed banks	1.98	547	-	547	-	-	-
Trade payables	3.56	(729)	-	(565)	(164)	-	-
Lease liabilities	4.18	(1,942)	-	(255)	(237)	(616)	(834)
Term loans	2.87	(1,192)	(1,192)	-	-	-	-
Islamic Medium Term Notes	4.87	(3,838)	-	-	(2,494)	(841)	(503)
CMTF	2.85	(2,293)	(2,293)	-	-	-	-
Business Financing-i	2.85	(498)	(498)	-	-	-	-
Gross exposure		(9,945)	(3,983)				
IRS:							
- term loan	4.69		500	-	(500)	-	-
Net exposure			(3,483)				

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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

Company	Weighted average effective interest rate at reporting date (per annum) %	Total carrying amount RM'million	Fixed interest rate < 1 year RM'million
At 31 December 2021			
Loans due from a subsidiary	**3.32**	**308**	**308**
Deposits with licensed banks	**1.89**	**28**	**28**
		336	
At 31 December 2020			
Loans due from a subsidiary	4.19	227	227
Deposits with licensed banks	1.90	14	14
		241	

The sensitivity of the Group's profit before tax for the financial year and equity to a reasonably possible change in RM (2020: RM) interest rates with all other factors held constant and based on composition of liabilities with floating interest rates as at the reporting date are as follows:

	Impact on profit before tax for the financial year		Impact on equity[1]	
Group	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
RM				
- increased by 0.5% (2020: 0.5%)	**(15)**	(17)	**(*)**	2
- decreased by 0.5% (2020: 0.5%)	**15**	17	*****	(2)

Notes:

[1] Represents cash flow hedging reserve.

* Less than RM1 million.

The impact on profit before tax for the financial year is mainly as a result of interest expenses on floating rate borrowings not in a designated hedging relationship. For borrowings in a designated hedging relationship, as these are effectively hedged, the interest rate movements will not have any impact on the statement of profit or loss.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

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

Trade receivables, finance lease receivables and contract assets

Credit risk of trade receivables is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via limiting the Group's dealings with creditworthy business partners and customers. Trade receivables are monitored on an ongoing basis via the Group's management reporting and dunning procedures.

Concentration of credit risk

The Group has no significant exposure to any individual customer, geographical location or industry category. Significant credit and recovery risks associated with receivables have been provided for in the financial statements.

Impairment of trade receivables, finance lease receivables and contract assets

The Group applies a simplified approach in calculating ECLs. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on 5-year historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Some of the factors which the Group has identified include unemployment rate, interbank lending rate, Consumer Price Index ("CPI") and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

On that basis, the loss allowance was determined as follows for trade receivables, finance lease receivables and contract assets:

Group	Current RM'million	1 to 30 days past due RM'million	31 to 60 days past due RM'million	61 to 90 days past due RM'million	91 to 120 days past due RM'million	> 120 days past due RM'million	Total RM'million
31 December 2021							
Expected loss rate[1]	0.9%-13.0%	3.4%-50.0%	11.5%-85.5%	27.9%-100%	49.5%-100%	71.3%-100%	
Gross carrying amount:							
Trade receivables	957	59	28	13	10	55	1,122
Finance lease receivables	9	-	-	-	-	-	9
Contract assets	274	-	-	-	-	-	274
	1,240	59	28	13	10	55	1,405
Loss allowance:							
Trade receivables	(26)	(12)	(11)	(8)	(8)	(41)	(106)
Finance lease receivables	(*)	-	-	-	-	-	(*)
Contract assets	(8)	-	-	-	-	-	(8)
	(34)	(12)	(11)	(8)	(8)	(41)	(114)

Notes:

[1] The expected loss rate comprises of customers with different risk profiles and excludes individual specific loss rate.

* Less than RM1 million.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

Group	Current RM'million	1 to 30 days past due RM'million	31 to 60 days past due RM'million	61 to 90 days past due RM'million	91 to 120 days past due RM'million	> 120 days past due RM'million	Total RM'million
31 December 2020							
Expected loss rate[1]	0.6%-11.9%	2.9%-20.8%	12.0%-69.0%	30.9%-88.5%	46.0%-100%	64.0%-100%	
Gross carrying amount:							
Trade receivables	1,154	70	43	25	14	75	1,381
Finance lease receivables	30	-	-	-	-	-	30
Contract assets	207	-	-	-	-	-	207
	1,391	70	43	25	14	75	1,618
Loss allowance:							
Trade receivables	(53)	(16)	(15)	(13)	(10)	(64)	(171)
Finance lease receivables	(1)	-	-	-	-	-	(1)
Contract assets	(9)	-	-	-	-	-	(9)
	(63)	(16)	(15)	(13)	(10)	(64)	(181)

Note:

[1] The expected loss rate comprises of customers with different risk profiles and excludes individual specific loss rate.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, finance lease receivables and contract assets (continued)

Impairment of trade receivables, finance lease receivables and contract assets (continued)

Movement on the Group's loss allowances for receivables and contract assets is as follows:

		Trade receivables		Finance lease receivables		Contract assets		Total	
Group	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
1 January		**171**	144	**1**	1	**9**	3	**181**	148
Charged to statement of profit or loss	11	**89**	367	**-**	3	**4**	9	**93**	379
Reversed from statement of profit or loss	11	**(24)**	(58)	**(1)**	(3)	**(5)**	(3)	**(30)**	(64)
Amount written off		**(130)**	(282)	**-**	-	**-**	-	**(130)**	(282)
31 December		**106**	171	*****	1	**8**	9	**114**	181

* Less than RM1 million.

Deposits, cash and bank balances

For deposits, cash and bank balances, the Group and the Company seek to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions.

While deposits, cash and bank balances are also subject to the impairment requirements, the identified impairment loss was immaterial.

Derivative financial instruments

The Group enters into the contracts with various reputable counterparties to minimise the credit risks. The Group considers the risk of material loss in the event of non-performance by the above parties to be unlikely. The Group's maximum exposure to credit risk is equal to the carrying value of those financial instruments.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables, deposits and amounts due from related parties. The movement on Group's loss allowances for other financial assets at amortised cost is as follows:

		Group	
	Note	2021 RM'million	2020 RM'million
(i) Other receivables and deposits			
1 January		**28**	36
Charged to statement of profit or loss	11	**15**	16
Reversed from statement of profit or loss	11	**(7)**	(24)
Amount written off		*****	*
31 December		**36**	28
(ii) Amounts due from related parties			
1 January		**-**	-
Charged to statement of profit or loss	11	**5**	-
31 December		**5**	-

* Less than RM1 million.

(c) Liquidity risk

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

As at 31 December 2021, the Group has RM5.5 billion that is available for issuance under the Unrated Sukuk Murabahah Programme, as disclosed in Note 29 to the financial statements, and available credit facilities of RM0.5 billion. The Group is able to issue new Sukuk and/or drawdown the available credit facilities to finance its capital expenditure, working capital and/or other funding requirements. There is no restriction under the terms of the Unrated Sukuk Murabahah Programme and the available credit facilities for such intended purposes.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

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

Group	Total[1] RM'million	< 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
At 31 December 2021					
Payables and accruals[1]	**3,084**	**2,935**	**133**	**16**	**-**
Amounts due to related parties	**20**	**20**	**-**	**-**	**-**
Lease liabilities	**2,577**	**354**	**330**	**786**	**1,107**
Borrowings[2]	**9,001**	**2,012**	**233**	**4,698**	**2,058**
Net settled derivative financial instruments (IRS contract)	**9**	**9**	**-**	**-**	**-**
	14,691	**5,330**	**696**	**5,500**	**3,165**
At 31 December 2020					
Payables and accruals[1]	3,086	2,892	185	9	-
Amounts due to related parties	17	17	-	-	-
Lease liabilities	2,483	351	319	795	1,018
Borrowings[2]	8,631	298	3,644	3,434	1,255
Net settled derivative financial instruments (IRS contract)	21	13	8	-	-
	14,238	3,571	4,156	4,238	2,273

Notes:

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

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

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) **Liquidity risk (continued)**

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

Company	Total RM'million	< 1 year RM'million
At 31 December 2021		
Payables and accruals	**1**	**1**
Amount due to a subsidiary	*	*
	1	**1**
At 31 December 2020		
Payables and accruals	1	1
Amount due to a subsidiary	*	*
	1	1

* Less than RM1 million.

(d) **Capital risk management**

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

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

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

The external lenders require the borrower, MBSB, to maintain financial covenant ratios on its net debt (including bank guarantees issued) to EBITDA and EBITDA to interest expense. These financial covenant ratios have been fully complied with by MBSB for the financial year ended 31 December 2021.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

The Group also monitors capital which comprise of borrowings and equity on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest bearing financial liabilities (include current and non-current borrowings and derivative financial instruments designated in hedging relationship on borrowings on a net basis as shown in the statements of financial position but exclude payables under deferred payment schemes as disclosed in Note 28 to the financial statements) less deposits, cash and bank balances. Total equity is calculated as 'equity' as shown in the statements of financial position. The gearing ratios at reporting dates were as follows:

	Note	Group 2021 RM'million	Group 2020 RM'million (Restated)
Total interest bearing financial liabilities		**10,098**	9,780
Less: Deposits, cash and bank balances	26	**(1,191)**	(735)
Net debt		**8,907**	9,045
Total equity		**6,725**	6,715
Gearing ratio		**1.3**	1.3

(e) Fair value estimation

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

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

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

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

(i) Financial instruments carried at amortised cost

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

	Note	Group 2021 Carrying amount RM'million	Group 2021 Fair value RM'million	Group 2020 Carrying amount RM'million	Group 2020 Fair value RM'million
Financial liability:					
Borrowings					
- Islamic Medium Term Notes	29	**4,531**	4,569	**3,838**	3,911

The valuation technique used to derive the Level 3 disclosure for financial liability is based on the estimated cash flow and discount rate of the Group.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(ii) Financial instruments carried at fair value through profit or loss

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

		Group	
	Note	2021 RM'million	2020 RM'million
Derivative financial instruments:			
- Assets	22	*	-
- Liabilities	22	(9)	(22)
		(9)	(22)

* Less than RM1 million.

The fair value of the IRS contract is 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 forward exchange rates as at each reporting date.

The following table represents the financial liabilities measured at fair value, using Level 3 valuation technique, at reporting date:

	Group	
	2021 RM'million	2020 RM'million
At 1 January	19	-
Additions	3	18
Accretion of finance cost	*	1
At 31 December	22	19

* Less than RM1 million.

The fair value of financial liabilities is calculated based on the estimated cash flow discounted at the incremental borrowing rate.

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (continued)

(iii) Financial instruments carried at FVOCI

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group and Company have elected at initial recognition to recognise in this category.

The Group and Company hold investments that are unlisted securities, and measured at fair value, using Level 3 valuation technique, at reporting date:

		Group		Company	
	Note	2021 RM'million	2020 RM'million	2021 RM'million	2020 RM'million
Financial assets at FVOCI	20	**4**	4	**4**	4

The valuation technique used to derive the Level 3 disclosure for financial asset is based on the estimated cash flow and discount rate of the underlying counterparty.

(f) Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements.

Group	Gross amounts of recognised financial assets RM'million	Gross amounts of recognised financial liabilities set-off in the statement of financial position RM'million	Net amounts of financial assets presented in the statement of financial position RM'million	Related amounts not off-set in the statement of financial position: Financial instruments RM'million	Related amounts not off-set in the statement of financial position: Cash collateral received RM'million	Net amount RM'million
At 31 December 2021						
Receivables and deposits	**459**	**(67)**	**392**	**-**	**(25)**	**367**
Amounts due from related parties	**21**	**(15)**	**6**	**-**	**-**	**6**
	480	**(82)**	**398**	**-**	**(25)**	**373**
At 31 December 2020						
Receivables and deposits	528	(56)	472	-	(26)	446
Amounts due from related parties	14	(10)	4	-	-	4
	542	(66)	476	-	(26)	450

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities (continued)

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar arrangements.

Group	Gross amounts of recognised financial liabilities RM'million	Gross amounts of recognised financial assets set-off in the statement of financial position RM'million	Net amounts of financial liabilities presented in the statement of financial position RM'million	Related amounts not off-set in the statement of financial position: Financial instruments RM'million	Related amounts not off-set in the statement of financial position: Cash collateral received RM'million	Net amount RM'million
At 31 December 2021						
Payables and accruals	**204**	**(67)**	**137**	**(24)**	**-**	**113**
Amounts due to related parties	**35**	**(15)**	**20**	**-**	**-**	**20**
	239	**(82)**	**157**	**(24)**	**-**	**133**
At 31 December 2020						
Payables and accruals	209	(56)	153	(26)	-	127
Amounts due to related parties	20	(10)	10	-	-	10
	229	(66)	163	(26)	-	137

33 CAPITAL COMMITMENTS

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

	Group 2021 RM'million	Group 2020 RM'million
Property, plant and equipment	**423**	171

34 RELATED PARTIES

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

	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
Group	**2021 RM'million**	**2020 RM'million**	**2021 RM'million**	**2020 RM'million**	**2021 RM'million**	**2020 RM'million**	**2021 RM'million**	**2020 RM'million**
Sales of goods and services:								
- MEASAT Broadcast Network Systems Sdn. Bhd.[1] (telephony and connectivity services to co-market and distribute content products)	**111**	61	**2**	4	**-**	-	**2**	4
- Saudi Telecom Company[2] (roaming and international calls)	**4**	4	*****	-	**-**	-	*****	-
- MEASAT Broadband (International) Ltd[3] (revenue share on bandwidth)	**3**	3	*****	-	**-**	-	*****	-
- Maxis Communications Berhad[4] (corporate support services)	**1**	2	*****	-	**-**	-	*****	-
- TGV Cinemas Sdn. Bhd.[5] (telephony and broadband services)	**2**	-	**2**	-	**-**	-	**2**	-
Purchases of goods and services from:								
- MEASAT Broadcast Network Systems Sdn. Bhd.[1] (customer acquisition and installation charges)	**20**	11	**-**	-	**-**	-	**-**	-
- Saudi Telecom Company ("STC")[2] (roaming and international calls)	**4**	4	**-**	(*)	**-**	-	**-**	(*)
- MEASAT Global Berhad Group[3] (transponder and teleport lease rental)	**32**	31	**(5)**	(1)	**(25)**	(55)	**(30)**	(56)
- Tanjong City Centre Property Management Sdn. Bhd.[5] (rental, service charge, property service and other utility charges)	**40**	40	**-**	-	**(125)**	(147)	**(125)**	(147)
- UTSB Management Sdn. Bhd.[5] (corporate management services)	**30**	29	**(4)**	(5)	**(21)**	(50)	**(25)**	(55)
- SRG Asia Pacific Sdn. Bhd.[6] (call handling and telemarketing services)	**22**	23	**(5)**	(5)	**-**	-	**(5)**	(5)
- Sri Lanka Telecom PLC[7] (roaming and international calls)	**1**	2	**(*)**	(*)	**-**	-	**(*)**	(*)

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.

34 RELATED PARTIES (CONTINUED)

Notes: (continued)

(1) Subsidiary of a company which is an associate of UTSB
(2) A major shareholder of BGSM, as described above
(3) Indirect subsidiary of a company in which TAK has a 100% direct equity interest
(4) Subsidiary of BGSM
(5) Subsidiary of UTSB
(6) Subsidiary of a company whereby a person connected to TAK has a deemed equity interest
(7) Associate of UTSB
* Less than RM1 million.

	Company	
	2021	**2020**
	RM'million	**RM'million**
Management fees charged by a subsidiary	**3**	3
Payment on behalf of operating expenses for subsidiaries	*	1

* Less than RM1 million.

35 RESTATEMENT OF COMPARATIVES

During the year, the Group changed its basis for determining the measurement of deferred tax on its intangible assets with indefinite useful life, based on the principles clarified by the IFRIC Agenda Decision on "Expected manner of recovery of indefinite life intangible assets when measuring deferred tax". In measuring deferred tax on intangible assets with indefinite useful life, the Group is of the view that it is appropriate that the expected manner of recovery of the carrying amounts is through use and has reflected the related tax consequences retrospectively.

Arising from the above, the Group recognised deferred tax liabilities of RM335 million on its intangible assets with indefinite useful life, with a corresponding decrease to the retained earnings as at 1 January 2020. The details of the restatement are as follows:

Group	As previously reported RM'million	Adjustments RM'million	Restated RM'million
At 31 December 2020			
Net assets			
Deferred tax liabilities	382	335	717
Equity			
Retained earnings	4,454	(335)	4,119
At 1 January 2020			
Net assets			
Deferred tax liabilities	199	335	534
Equity			
Retained earnings	4,402	(335)	4,067

The change has no impact on the profit after tax of the Group and the Company for the financial year ended 31 December 2020.

36 CONTINGENT LIABILITIES

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

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"). The Kuala Lumpur High Court ("High Court") had granted and subsequently extended the interim stay of the enforcement of the ICI Notice until the hearing of MBSB's leave application challenging the ICI Notice;

(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 hearing of MBSB's leave application challenging the 2020 Notices; and

(iii) In the current financial year, 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 hearing of the IRB's intervener application.

The Directors are of the view that no provision is required in the 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 and 2020/2021 Notices.

37 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In February 2021, the Government of Malaysia announced its MyDIGITAL initiative and the Malaysia Digital Economy Blueprint which include bringing 5G to Malaysians in stages and to accelerate the digitalisation of the Malaysian economy. The Group is fully supportive of the objectives of MyDIGITAL and JENDELA and remains committed to play its part to offer the best 5G innovation to benefit the people and businesses in the country with its expertise and resources. This is aligned to the Group's own accelerated strategy of being Malaysia's leading converged solutions provider and building additional fibre coverage.

In March 2021, the Ministry of Finance announced the adoption of a 5G SWN with a Government Special Purpose Vehicle to own, implement and manage 5G infrastructure and provide equal access wholesale 5G services to licensed telecommunications companies. The commercial 5G launch details remain under industry-wide negotiation and when finalised, could affect the Group's execution approaches, timelines and future financial performance. The Group is assessing the impact based on the information available.

In July 2021, Malaysian Communications and Multimedia Commission ("MCMC") issued new Standard Radio System Plans ("SRSP") and identified 700MHz, 3.5GHz and 26/28GHz as the only spectrum bands to support 5G services in Malaysia. At the same time, MCMC revised the existing SRSP for spectrum bands 900MHz, 1800MHz, 2100MHz and 2600MHz to support up to 4G services only. These changes have affected the Maxis' ability to repurpose its spectrum to radiate future radio technologies beyond 4G. The impact to the useful life of spectrum rights has been disclosed in Note 16.

38 EVENTS AFTER THE FINANCIAL YEAR

(a) On 14 January 2022, the Group acquired the entire share capital of Mykris Asia Sdn. Bhd. ("MYA"), a company that provides managed network services and security solutions, to reinforce the Group's capacity and capabilities to support the Group's corporate customers. The purchase consideration comprises a base consideration of RM115 million and subsequent payments of RM42.5 million which are payable over 3 years upon certain revenue targets being achieved. Contribution of revenue and expenses to the Group is recognised from the beginning of the financial year in which MYA was acquired. Acquisition related costs of RM2 million have been recognised as expenses in profit or loss during the financial year.

As the initial accounting for this acquisition is not complete at the time that the financial statements were authorised for issue, details of the values of the assets acquired and liabilities assumed are not disclosed.

(b) On 11 February 2022, the Group accepted the offer from MCMC for the spectrum assignment of 2x10MHz of 2600MHz for an upfront fee of RM11.76 million and an annual fee of RM20.75951 million for the SA period. The SA is valid for 5 years and will be effective on 1 July 2022. The upfront fee was paid in full together with the acceptance of the offer.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 February 2022.

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Mokhzani bin Mahathir and Alvin Michael Hew Thai Kheam, being two of the Directors of Maxis Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 145 to 240 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 24 February 2022.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

ALVIN MICHAEL HEW THAI KHEAM
DIRECTOR

Kuala Lumpur

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Norman Wayne Treeby, the officer primarily responsible for the financial management of Maxis Berhad, do solemnly and sincerely declare that the financial statements set out on pages 145 to 240 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

NORMAN WAYNE TREEBY

Subscribed and solemnly declared by the abovenamed Norman Wayne Treeby at Kuala Lumpur in Malaysia on 24 February 2022, before me.

COMMISSIONER FOR OATH

Independent Auditors' Report

to the Members of Maxis Berhad (Incorporated In Malaysia)
Registration No. 200901024473 (867573-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Maxis Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 145 to 240.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group

Key audit matters	How our audit addressed the key audit matters
Assessment of carrying value of goodwill and telecommunications licences *Refer to Note 3(d) - Summary of significant accounting policies: Intangible assets, Note 4(b) - Critical accounting estimates and judgements: Impairment assessment of intangible assets - goodwill and Note 16 - Intangible assets* We focused on this area due to the size of the carrying value of goodwill and telecommunications licences, which represented 43% of total assets as at 31 December 2021, and the estimation of the recoverable amount which requires significant assumptions and judgements on the future cash flows, terminal growth rate and discount rate applied. Based on the annual impairment test performed, the Directors concluded that no impairment is required for goodwill and telecommunications licences. The key assumptions and sensitivities are disclosed in Note 16 to the financial statements.	We performed the following audit procedures on the value-in-use ("VIU") calculations which were based on cash flow projections that cover a period of 5 years comprising the approved financial budget for 2022 and projections for the next 4 years: • Evaluated the reasonableness of the Directors' assessment that the converged telecommunications services and solutions is the cash generating unit ("CGU") which represents the smallest identifiable group of assets that generate independent cash inflows, by understanding the business model of the Group; • Discussed with management on the key assumptions used in the five-year VIU cash flows which include the compounded revenue and earnings before interest, tax, depreciation and amortisation annual growth rates and performed the following: - Agreed the five-year VIU cash flows to the financial budget for 2022 and projections for the next 4 years approved by the Directors; - Compared the historical forecast for 2021 to actual results to assess the reliability of management's estimates; - Compared the compounded revenue growth rates in the projection periods to historical results and telecommunications industry forecasts; - Assessed the impact of the changes in the key assumptions used for the five-year VIU cash flows from 2021; and - Checked the mathematical accuracy of the five-year VIU cash flows; • Agreed the assumption on capital expenditures and operating expenditures to the approved financial budget for 2022 and projections for the next 4 years, discussed with management on the capital expenditure required to maintain the network performance including the current developments of MyDigital initiatives and the 5G single wholesale network ("SWN"), and assessed the impact on the VIU cash flows; and • Checked the reasonableness of the discount rate and terminal growth rate with the assistance of our valuation experts by benchmarking to industry reports, and checked the sensitivity analysis performed by management on the discount rate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Assessment of carrying value of goodwill and telecommunications licences (continued)	Based on the procedures performed above, we did not find any material exceptions to the Directors' conclusion that the goodwill and telecommunications licences are not impaired as at 31 December 2021.
Assessment of useful life of spectrum rights *Refer to Note 3(d) - Summary of significant accounting policies: Intangible assets, Note 4(a) - Critical accounting estimates and judgements: Estimated useful lives and impairment assessment of intangible assets – spectrum rights and Note 16 - Intangible assets* During the financial year, the Malaysian Communications and Multimedia Commission ("MCMC") revised the existing Standard Radio System Plans ("SRSP") for certain spectrum bands to support up to 4G services only. As a result, the Group revised the expected useful life of its spectrum rights from indefinite to a finite life based on the remaining Spectrum Assignment ("SA") terms of the respective spectrum bands. The impact arising from the change in accounting estimate has been adjusted prospectively as disclosed in Note 16 to the financial statements. We focused on this area due to the significant judgement involved in determining the expected useful life of spectrum rights, taking into consideration factors such as developments in the regulatory and technology landscape, expected use of the spectrum rights, and contractual periods of the spectrum assignments.	We performed the following audit procedures to assess the useful life of spectrum rights: • Obtained and read the revised SRSP issued by the MCMC and discussed the financial impact as a result of the change of the SRSP with management; • Reviewed management's basis in determining the expected useful life of the spectrum rights; • Checked management's computation of the amortisation charges of the spectrum rights and the related deferred tax impact arising from the revision of the useful life of the spectrum rights from indefinite to a finite life; and • Reviewed the adequacy of the disclosures in the financial statements. Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment on the change in the expected useful life of the spectrum rights during the year.
Notices of additional tax assessments from the Inland Revenue Board *Refer to Note 3(x) - Summary of significant accounting policies: Contingent liabilities, Note 4(f) - Critical accounting estimates and judgements: Income taxes and Note 36 - Contingent liabilities* The Group received notices of additional assessments from the Inland Revenue Board ("IRB") in the prior and current years on: • disallowance of the Group's entitlement to incremental chargeable income exemption for Year of Assessment ("YA") 2017 of RM37.4 million ("ICI Notice"); • disallowance of interest expenses deduction for YA 2016 and 2017 totalling RM140 million ("2020 Notices"); and • disallowance of interest expenses deduction for YA 2018 and 2019 totalling RM230 million ("2021 Notices").	We performed the following audit procedures in relation to the additional tax assessments: • Examined the correspondences between the Group and the IRB in the current financial year; • Assessed the matters in dispute based on advice received from our own tax experts to review the basis of application of the relevant tax laws; • Obtained an updated independent legal confirmation from the Group's appointed external legal counsel; and • Reviewed the adequacy of disclosures in the financial statements. Based on the procedures performed above, we did not find any material exceptions to the Directors' judgement in assessing the potential tax liabilities arising from these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Notices of additional tax assessments from the Inland Revenue Board (continued) The Directors have assessed the impact of the ICI Notice, 2020/2021 Notices and the corresponding appeals submitted by the Group, and are of the view that no provision is required in the financial statements at this juncture based on the facts surrounding the above additional assessments and the legal advice obtained from the external legal counsel that there is sufficient evidence and case law to support the Group's appeals. We focused on this area due to the significant judgement exercised by the Group and the inherent uncertainties involved in the outcome of the Group's appeals.	
Revenue recognition from contracts with customers *Refer to Note 3(u) - Summary of significant accounting policies: Income recognition, Note 4(e) - Critical accounting estimates and judgements: Revenue recognition for contracts with customers and Note 6 - Revenue* The Group's revenue of RM9.2 billion during the financial year ended 31 December 2021 comprised primarily of telecommunications services and solutions revenue and sales of devices of RM7.9 billion and RM1.2 billion respectively. We focused on this area because there is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of various pricing models for different revenue products to revenue recognition. Revenue processed by billing systems is complex and involves large volumes of data with different products sold, services and price changes. In addition, management exercises judgement in the areas below: • Certain contracts with customers are bundled packages that may include sale of products and telecommunications services and solutions that comprise voice, data and other converged telecommunications services; • Individual products and services are accounted for as separate performance obligations if they are distinct promised goods and services. Judgement is involved in identifying if products and services with the bundled package are distinct as a separate promised products and services; and • Determining whether the Group is acting as a principal or an agent in relation to the sale of devices.	We performed the following audit procedures: • Evaluated and tested the IT general controls and key controls on material revenue streams over: - capture and recording of revenue transactions; - authorisation of rate changes and the input of this information to the billing systems; and - accuracy of calculation of amounts billed to customers; • For material revenue streams, we obtained supporting evidence such as customer contracts, invoices and relevant supporting documents to test the occurrence and measurement on a sampling basis; • Reviewed management's assessment of the identification of separate performance obligations over material customer contracts with bundling arrangements and sighted to the customer contracts on a sampling basis; • Reviewed management's analysis in determining whether the Group is acting as a principal or an agent in relation to the sale of devices based on the contractual terms and conditions in the contracts with customers and suppliers; and • Examined material non-standard journal entries and other adjustments posted to revenue accounts. Based on the procedures performed above, we did not find any material exceptions in the revenue recognised during the financial year.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
Assessment of funding requirements and ability to meet the short term obligations *Refer to Note 32(c) - Financial Risk Management: Liquidity Risk* As at 31 December 2021, the Group had short term payables and accruals of RM4.1 billion and short term borrowings of RM2.0 billion. We focused on the Group's funding and ability to meet its short term obligations due to the significant amount of the short term liabilities, which resulted in the current liabilities of the Group exceeding current assets by RM3.3 billion at that date. The Group's ability to obtain funding from existing facilities is disclosed in Note 32(c) to the financial statements.	We performed the following audit procedures: • Checked management's cash flow forecasts for the Group over the period of 12 months from the date of the financial statements to the annual budget and cash flow projections which includes operating, investing and financing cash flows approved by the Directors; • Discussed with management on key assumptions used in the cash flow forecasts including cash collection trends, payment profiles and significant transactions that may occur in developing the cash flow forecasts for the Group; • Checked the borrowing repayment profile of the Group against the loan agreements; and • Checked the extent of debt that the Group can raise from its existing facilities. Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment that the Group will be able to meet its short term obligations.

Company

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying value of cost of investments in subsidiaries *Refer to Note 3(g) - Summary of significant accounting policies: Impairment of non-financial assets, Note 4(a) - Critical accounting estimates and judgements - Company: Investments in subsidiaries and Note 18(a) - Investments in subsidiaries* As at 31 December 2021, the carrying value of the cost of investments in subsidiaries is RM25.1 billion. The Group performed an impairment assessment of the cost of investment in a subsidiary during the year as there are indicators of impairment of this subsidiary. The recoverable amount of the subsidiary was determined by the Directors based on the VIU method. Based on the Directors' assessment, the recoverable amount of the subsidiary exceeds the carrying value of the investment in the subsidiary and therefore no impairment is required. We focused on this area due to the estimation of the recoverable amounts which is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rates and discount rate applied.	We performed the following audit procedures on the VIU calculations which were based on cash flow projections that cover a period of 5 years comprising the approved financial budget for 2022 and projections for the next 4 years: • Discussed with management on the key assumptions used in the five-year VIU cash flows which include the compounded revenue and earnings before interest, tax, depreciation and amortisation annual growth rates and performed the following: - Agreed the five-year VIU cash flows to the financial budget for 2022 and projections for the next 4 years approved by the Directors; - Compared the historical forecasting for 2021 to actual results to assess the reliability of management's estimates; - Compared the compounded revenue annual growth rates in the projection periods to historical results and telecommunications industry forecasts; - Assessed the impact of the changes in the key assumptions used for the VIU cash flows from 2021; and

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Company (continued)

Key audit matters	How our audit addressed the key audit matters
Recoverability of the carrying value of cost of investments in subsidiaries (continued)	We performed the following audit procedures on the VIU calculations which were based on cash flow projections that cover a period of 5 years comprising the approved financial budget for 2022 and projections for the next 4 years: (continued) • Discussed with management on the key assumptions used in the five-year VIU cash flows which include the compounded revenue and earnings before interest, tax, depreciation and amortisation annual growth rates and performed the following: (continued) - Checked the mathematical accuracy of the five-year VIU cash flow; • Checked that the VIU cash flows used to determine the recoverable amount have been adjusted for financing cash flows forecast of the subsidiary; • Agreed the assumption on capital expenditures and operating expenditures to the approved financial budget for 2022 and projections for the next 4 years, discussed with management on the capital expenditure required to maintain the network performance including the current developments of MyDigital initiatives and the 5G single wholesale network ("SWN"), and assessed the impact on the VIU cash flows; and • Checked the reasonableness of the discount rate and terminal growth rate with the assistance of our valuation experts by benchmarking to industry reports, and checked the sensitivity analysis performed by management on the discount rate. Based on the procedures performed above, we did not find any material exception to the Directors' assessment that the cost of investment in a subsidiary is not impaired as at 31 December 2021.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement of Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the 2021 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors’ report thereon (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and of the Company’s internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

SRIDHARAN NAIR
02656/05/2022 J
Chartered Accountant

Kuala Lumpur
24 February 2022

Size of Shareholdings

as at 24 February 2022

SHARE CAPITAL

Issued	:	7,826,271,010 Ordinary Shares
Voting Right	:	One vote per Ordinary Share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	748	1.97	7,494	0.00
100 - 1,000	19,861	52.20	17,464,338	0.22
1,001 - 10,000	14,577	38.31	56,271,393	0.73
10,001 - 100,000	2,262	5.94	65,094,021	0.83
100,001 - 391,313,549(*)	598	1.57	1,247,605,339	15.94
391,313,550 and above(**)	3	0.01	6,439,828,425	82.28
Total	**38,049**	**100.00**	**7,826,271,010**	**100.00**

* Less than 5% of issued holdings
** 5% and above of issued holdings

Note:
Information in the above table is based on the Record of Depositors dated 24 February 2022.

Category of Shareholders

as at 24 February 2022

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	**32,789**	**86.17**	**125,616,840**	**1.61**
Bank/Finance Institutions	**33**	**0.09**	**1,003,643,575**	**12.82**
Investment Trusts/Foundations/Charities	**4**	**0.01**	**135,000**	**0.00**
Other Types of Companies	**308**	**0.81**	**4,887,089,009**	**62.44**
Government Agencies/Institutions	**4**	**0.01**	**6,215,200**	**0.08**
Nominees	**4,911**	**12.91**	**1,803,571,386**	**23.05**
Total	**38,049**	**100.00**	**7,826,271,010**	**100.00**

Note:
Information in the above table is based on the Record of Depositors dated 24 February 2022.

Directors' Interests in Shares

as at 24 February 2022

Based on the Register of Directors' Shareholdings and the Record of Depositors, the interests of the Directors in the shares of the Company (both direct and indirect) as at 24 February 2022 are as follows:

	Number of Ordinary Shares in Maxis ("Maxis Shares")		% of Issued Shares	
Name	**Direct**	**Indirect**	**Direct**	**Indirect**
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000	–	0.01	–
Tan Sri Mokhzani bin Mahathir	750,000	1,000[1]	0.01	#
Robert Alan Nason	-	-	-	-
Dato' Hamidah Naziadin	-	-	-	-
Alvin Michael Hew Thai Kheam	-	-	-	-
Mohammed Abdullah K. Alharbi	-	-	-	-
Mazen Ahmed M. AlJubeir	-	-	-	-
Abdulaziz Abdullah M. Alghamdi	-	-	-	-
Lim Ghee Keong	-	-	-	-

Notes:

\# Negligible

(1) Deemed interest in shares of the Company held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

Chief Executive Officer's Interests in Shares

as at 24 February 2022

The interests of the Chief Executive Officer in the shares of the Company (both direct and indirect) as at 24 February 2022 are as follows:

	Number of Ordinary Shares in Maxis ("Maxis Shares")		% of Issued Shares	
Name	**Direct**	**Indirect**	**Direct**	**Indirect**
Gokhan Ogut	-	1,097,400[1]	-	0.01
	-	1,107,600[2]	-	0.01
	210,500[3]	-	#	-
	-	1,395,100[4]	-	0.02

Notes:

\# Negligible

(1) Deemed interest and these shares are currently held by CIMB Commerce Trustee Berhad or its nominee pursuant to the terms and conditions of a share-based incentive arrangement arising under the employment agreement entered by him, as Chief Executive Officer of Maxis, with Maxis Broadband Sdn Bhd ("Employment Agreement"), a wholly-owned subsidiary of Maxis. Pursuant to the aforesaid arrangement, a cash incentive was used to acquire shares of Maxis from the open market and such shares are currently held by CIMB Commerce Trustee Berhad or its nominee. These Maxis shares shall, subject to the satisfaction of the vesting conditions and the terms and conditions of the Employment Agreement, vest in him on 30 June 2022. The vesting conditions comprise, amongst others, the performance targets for the financial years 2019, 2020 and 2021, as stipulated by Maxis' Remuneration Committee.

(2) Deemed interest and these shares are currently held by CIMB Commerce Trustee Berhad or its nominee pursuant to the terms and conditions of a share-based incentive arrangement arising under the employment agreement entered by him, as Chief Executive Officer of Maxis, with Maxis Broadband Sdn Bhd ("Employment Agreement"), a wholly-owned subsidiary of Maxis. Pursuant to the aforesaid arrangement, a cash incentive was used to acquire shares of Maxis from the open market and such shares are currently held by CIMB Commerce Trustee Berhad or its nominee. These Maxis shares shall, subject to the satisfaction of the vesting conditions and the terms and conditions of the Employment Agreement, vest in him on 30 June 2023. The vesting conditions comprise, amongst others, the performance targets for the financial years 2020, 2021 and 2022, as stipulated by Maxis' Remuneration Committee.

(3) Allotment and issuance of new shares in Maxis to him pursuant to the vesting of shares granted on 27 December 2018 under the Maxis LTIP. The shares were granted to him as Chief Operating Officer and now vested in him as Chief Executive Officer.

(4) Deemed interest and these shares are currently held by CIMB Commerce Trustee Berhad or its nominee pursuant to the terms and conditions of a share-based incentive arrangement arising under the employment agreement entered by him, as Chief Executive Officer of Maxis, with Maxis Broadband Sdn Bhd ("Employment Agreement"), a wholly-owned subsidiary of Maxis. Pursuant to the aforesaid arrangement, a cash incentive was used to acquire shares of Maxis from the open market and such shares are currently held by CIMB Commerce Trustee Berhad or its nominee. These Maxis shares shall, subject to the satisfaction of the vesting conditions and the terms and conditions of the Employment Agreement, vest in him on 30 June 2024. The vesting conditions comprise, amongst others, the performance targets for the financial years 2021, 2022 and 2023, as stipulated by Maxis' Remuneration Committee.

30 Largest Shareholders

as at 24 February 2022

No	Name	No. of Shares Held	%
1	BGSM Equity Holdings Sdn. Bhd.	4,875,000,000	62.29
2	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	935,380,025	11.95
3	Amanahraya Trustees Berhad Amanah Saham Bumiputera	629,448,400	8.04
4	Kumpulan Wang Persaraan (Diperbadankan)	114,548,500	1.46
5	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (1)	80,181,800	1.02
6	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For State Street Bank & Trust Company (West CLT OD67)	71,010,100	0.91
7	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	60,783,300	0.78
8	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	42,363,000	0.54
9	HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA for Vanguard Emerging Markets Stock Index Fund	38,812,860	0.50
10	Cartaban Nominees (Tempatan) Sdn. Bhd. PAMB for Prulink Equity Fund	36,939,100	0.47
11	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	33,614,700	0.43
12	HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA for Vanguard Total International Stock Index Fund	33,327,161	0.43
13	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	28,413,400	0.36
14	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	27,452,900	0.35
15	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	23,919,375	0.31
16	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	21,750,000	0.28
17	Amanahraya Trustees Berhad Amanah Saham Malaysia	19,989,800	0.26
18	Permodalan Nasional Berhad	17,260,500	0.22
19	Amanahraya Trustees Berhad Public Islamic Dividend Fund	17,238,600	0.22

30 Largest Shareholders

as at 24 February 2022

No	Name	No. of Shares Held	%
20	DB (Malaysia) Nominee (Asing) Sdn. Bhd. BNYM SA/NV for People's Bank of China (SICL Asia EM)	16,240,300	0.21
21	HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts	14,208,800	0.18
22	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	13,077,300	0.17
23	HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	12,524,200	0.16
24	Cartaban Nominees (Asing) Sdn. Bhd. State Street London Fund OQ78 For IShares IV Public Limited Company	11,107,700	0.14
25	Cartaban Nominees (Asing) Sdn. Bhd. GIC Private Limited for Government of Singapore (C)	10,979,265	0.14
26	Amanahraya Trustees Berhad Public Islamic Equity Fund	10,215,200	0.13
27	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	9,360,468	0.12
28	HSBC Nominees (Asing) Sdn. Bhd. BNY Mellon for TD Global Low Volatility Fund	8,632,100	0.11
29	Pertubuhan Keselamatan Sosial	8,521,800	0.11
30	HSBC Nominees (Asing) Sdn. Bhd. CACEIS BK Lux For Most Diversified Portfolio SICAV-TOBAM Anti-Benchmark Emerging Markets Equity Fund	8,270,200	0.11

Note:
Information in the above table is based on the Record of Depositors dated 24 February 2022.

Information on Substantial Shareholders

The shareholders holding more than 5% interest, direct and indirect, in the ordinary shares in Maxis Berhad ("the Company") ("Shares") based on the Register of Substantial Shareholders of the Company as at 24 February 2022 are as follows:

	Direct		Indirect	
Name of Substantial Shareholder	No. of Shares Held	%	No. of Shares Held	%
BGSM Equity Holdings Sdn Bhd ("BGSM Equity")	4,875,000,000	62.29	-	-
BGSM Management Sdn Bhd ("BGSM Management")[1]	-	-	4,875,000,000	62.29
Binariang GSM Sdn Bhd ("BGSM")[2]	-	-	4,875,000,000	62.29
Usaha Tegas Equity Sdn Bhd ("UTE")[3]	-	-	4,875,000,000	62.29
Usaha Tegas Sdn Bhd ("Usaha Tegas")[4]	-	-	4,875,000,000	62.29
Pacific States Investment Limited ("PSIL")[5]	-	-	4,875,000,000	62.29
Excorp Holdings N.V. ("Excorp")[6]	-	-	4,875,000,000	62.29
PanOcean Management Limited ("PanOcean")[6]	-	-	4,875,000,000	62.29
Ananda Krishnan Tatparanandam ("TAK")[7]	-	-	4,875,000,000	62.29
Harapan Nusantara Sdn Bhd ("Harapan Nusantara")[8]	-	-	4,875,000,000	62.29
Tun Haji Mohammed Hanif bin Omar[9]	-	-	4,875,000,000	62.29
Dato' Haji Badri bin Haji Masri[9]	-	-	4,875,000,000	62.29
Mohamad Shahrin bin Merican[9]	11,000	*	4,875,000,000	62.29
STC Malaysia Holding Ltd ("STCM")[10]	-	-	4,875,000,000	62.29
STC Asia Telecom Holding Ltd ("STCAT")[11]	-	-	4,875,000,000	62.29
Saudi Telecom Company ("Saudi Telecom")[12]	-	-	4,875,000,000	62.29
Public Investment Fund ("PIF")[13]	-	-	4,875,000,000	62.29
AmanahRaya Trustees Berhad ("ARB") - Skim Amanah Saham Bumiputera	629,448,400	8.04	-	-
Employees Provident Fund Board ("EPF") [14]	935,680,025	11.96	2,687,500	0.03

Notes:

* Negligible

(1) BGSM Management's deemed interest in the Shares arises by virtue of BGSM Management holding 100% equity interest in BGSM Equity.

(2) BGSM's deemed interest in the Shares arises by virtue of BGSM holding 100% equity interest in BGSM Management. See Note (1) above for BGSM Management's deemed interest in the Shares.

(3) UTE's deemed interest in the Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn. Bhd., Tegas Puri Sdn. Bhd., Besitang Barat Sdn. Bhd. and Besitang Selatan Sdn. Bhd. which hold in aggregate 37% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares.

(4) Usaha Tegas' deemed interest in the Shares arises by virtue of Usaha Tegas holding 100% equity interest in UTE. See Note (3) above for UTE's deemed interest in the Shares.

(5) PSIL's deemed interest in the Shares arises by virtue of PSIL holding 99.999% equity interest in Usaha Tegas. See Note (4) above for Usaha Tegas' deemed interest in the Shares.

(6) PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. See Note (5) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in such Shares, it does not have any economic or beneficial interest in such Shares, as such interest is held subject to the terms of such discretionary trust.

(7) TAK's deemed interest in the Shares arises by virtue of PanOcean's deemed interest in the Shares. See Note (6) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in such Shares, he does not have any economic or beneficial interest in such Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (6) above.

(8) Harapan Nusantara's deemed interest in the Shares arises through its wholly-owned subsidiaries, namely, Mujur Anggun Sdn. Bhd., Cabaran Mujur Sdn. Bhd., Anak Samudra Sdn. Bhd., Dumai Maju Sdn. Bhd., Nusantara Makmur Sdn. Bhd., Usaha Kenanga Sdn. Bhd. and Tegas Sari Sdn. Bhd. (collectively, "Harapan Nusantara Subsidiaries"), which hold in aggregate 30% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares. The Harapan Nusantara Subsidiaries hold their deemed interest in such Shares under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in such Shares as such interest is held subject to the terms of such discretionary trusts.

(9) His deemed interest in the Shares arises by virtue of his 25% direct equity interest in Harapan Nusantara. However, he does not have any economic interest in such Shares as such interest is held subject to the terms of the discretionary trusts referred to in Note (8) above.

(10) STCM's deemed interest in the Shares arises by virtue of STCM holding 25% equity interest in BGSM. See Note (2) above for BGSM's deemed interest in the Shares.

(11) STCAT's deemed interest in the Shares arises by virtue of STCAT holding 100% equity interest in STCM. See Note (10) above for STCM's deemed interest in the Shares.

(12) Saudi Telecom's deemed interest in the Shares arises by virtue of Saudi Telecom holding 100% equity interest in STCAT. See Note (11) above for STCAT's deemed interest in the Shares.

(13) PIF's deemed interest in the Shares arises by virtue of PIF holding 70% equity interest in Saudi Telecom. See Note (12) above for Saudi Telecom's deemed interest in the Shares.

(14) EPF is deemed to have an interest in 2,687,500 Shares held through nominees.

Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2021 (RM'million)
1	Plot 12155 (Lot 13) Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	26 years	Freehold 9 May, 1994	-	Telecommunication operations centre and office	11,235	10,061	16
2	Lot 4046 & 4059 Jalan Riang 20 Taman Gembira Industrial Estate 81100 Johor Bahru	29 years	Freehold 21 July, 1994	-	Telecommunication operations centre and office	4,242	4,077	4
3	Lot 2537 & 2538 Lorong Jelawat 6 Kawasan Perusahaan Seberang Jaya 13700 Seberang Jaya Pulau Pinang	25 years	Leasehold 5 January, 1995	52 years (18 August 2073)	Telecommunication operations centre and office	3,661	2,259	5
4	PT 31093, Taman Perindustrian Tago Jalan KL – Sg Buluh Mukim Batu, Gombak	24 years	Freehold 2 July, 1996	-	Technical Operations Centre	2,830	3,290	2
5	Lot 943 & 1289 (No. Lot Pemaju – 46) Rawang Integrated Industrial Park Selangor	24 years	Freehold 12 April, 1997	-	Technical Operations Centre	10,611	1,535	3

Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2021 (RM'million)
6	8101, Taman Desa Jasmin Block 12B, Bandar Baru Nilai Labu Negeri Sembilan	24 years	Freehold 28 December, 1996	-	Technical Operations Centre	2,378	1,736	1
7	Lot 25, Lorong Burung Keleto Inanam Industrial Estate Inanam, 88450 Kota Kinabalu Sabah	21 years	Leasehold 11 May, 2000	75 years (31 December 2096)	Telecommunication operations centre and office	16,149	3,372	7
8	Lot 2323, Off Jalan Daya, Pending Industrial Estate Bintawa, 93450 Kuching, Sarawak	21 years	Leasehold 28 September, 2000	45 years (19 November 2066)	Telecommunication operations centre and office	10,122	3,382	15
9	Lot 11301, Jalan Lebuhraya Kuala Lumpur – Seremban Batu 8, Mukim Petaling, 57000 Kuala Lumpur	22 years	Sub-Lease 9 August, 1999	4 years (28 July 2025)	Telecommunication operations centre and office	11,592	5,634	12
10	No. 26, Jalan Perdagangan 10 Taman Universiti 81300 Skudai Johor	27 years	Freehold 2 March, 1995	-	Base Transceiver Station	2,294	872	1

TRANSACTIONS THROUGH MEDIA AGENCIES

Some of the media airtime, publications and programme sponsorship arrangements ("Media Arrangements") of the Maxis Group are concluded on normal commercial terms with independent media-buying agencies whose role is to secure advertising or promotional packages for their clients. These Media Arrangements may involve companies in the Astro Malaysia Holdings Berhad ("AMH") Group which are licensed to operate satellite Direct-to-Home television and FM radio services, and undertake a number of other multimedia services in Malaysia. The transactions between the media-buying agencies and the AMH Group are based on terms consistent with prevailing rates within the media industry.

For the financial year ended 2021 the value of such transactions, which are not related party transactions entered into by the Maxis Group and the AMH Group and excluded from the related party transactions disclosed elsewhere in this Integrated Annual Report, amounted to approximately RM18 million.

COMPLIANCE WITH THE PERSONAL DATA PROTECTION ACT

The Company recognises the importance of protecting and securing the personal data of shareholders, customers, employees and other relevant individuals, and has taken steps to be fully compliant with the Personal Data Protection Act 2010 ("PDPA 2010").

Material Contracts

Material contracts of Maxis Berhad ("Company") and its subsidiaries, involving Directors' and Major Shareholders' interests, either still subsisting at the end of financial year 2021 or, if not then subsisting, entered into since the end of financial year 2020.

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the Group	Mode of satisfaction of consideration	Relationship between director or major shareholder and contracting party (if director or major shareholder is not contracting party)
1	Transponder Lease Agreement (for Measat-3) (Note A) (a) Letter for Alternative Transponder Capacity, Extension of the Expiry Date & Compensation	19 June 2020 16 February 2022	Maxis Broadband Sdn. Bhd. ("MBSB") MEASAT Satellite Systems Sdn. Bhd. ("MSS")	Leasing of transponders for Measat-3 by MBSB for use of bandwidth capacity	Rental fee payable by MBSB to MSS	Cash	MBSB is a wholly-owned subsidiary of the Company. Please see Note 1 on page 263 for further details on the relationship between MBSB and MSS.
2	Teleport Services Agreement (Lease rentals of Measat earth station facility)	7 December 2017	MBSB MSS	Lease rentals of MSS teleport and earth station facility by MBSB	Service fee payable by MBSB to MSS	Cash	Please see Note 1 on page 263 for further details on the relationship between MBSB and MSS.
3	Agreement for the Provision of Services for Contact Centre	13 March 2018 Supplemental No. 1: 1 October 2019 Supplemental No. 2: 22 Jan 2020 Supplemental No. 3: 13 December 2020	MBSB SRG Asia Pacific Sdn. Bhd ("SRG")	Procurement of inbound customer call handling and telemarketing services provided by SRG to MBSB	Service fee payable by MBSB to SRG	Cash	SRG is a person connected to TAK. TAK is a Major Shareholder of the Company.
4.	Telesales Agreement (Note B)	22 January 2020	MBSB SRG	Procurement of outbound customer call handling and telemarketing services provided by SRG to MBSB	Service fee payable by MBSB to SRG	Cash	SRG is a person connected to TAK. TAK is a Major Shareholder of the Company.

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the Group	Mode of satisfaction of consideration	Relationship between director or major shareholder and contracting party (if director or major shareholder is not contracting party)
5.	Managed Bandwidth Services Agreement	1 July 2011	MBSB MEASAT Broadband (International) Ltd. ("MBIL")	Lease of bandwidth capacity on IPSTAR-1 satellite (under the brand name Measat-5 or M5) by MBIL	Rental fee payable by MBSB to MBIL	Cash	Please see Note 1 on page 263 for further details on the relationship between MBSB and MBIL.
	(a) Letter of Agreement for Additional Managed Bandwidth Services	11 November 2014					
	(b) Letter of Agreement for Additional Managed Bandwidth Services	13 May 2015					
	(c) Letter of Agreement for Additional Managed Bandwidth Services	8 July 2015					
	(d) Letter of Amendment to limit provision of services to bandwidth capacity on Measat-5	5 December 2017					
	(e) Letter for Extension of the Extended Term	16 February 2022					
6.	M5 Teleport Services Agreement	1 January 2017	MBSB MSS	Lease rentals of MSS teleport and earth station facility by MBSB for IPSTAR-1 satellite (under the brand name Measat-5 or M5)	Service fee payable by MBSB to MSS	Cash	Please see Note 1 on page 263 for further details on the relationship between MBSB and MSS
	(a) Letter for Extension of the Service Period	16 February 2022					
	(b) Letter for Extension of the Gateway Services	16 February 2022					

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the Group	Mode of satisfaction of consideration	Relationship between director or major shareholder and contracting party (if director or major shareholder is not contracting party)
7.	(a) IPTV Services Agreement (as amended by Termination Letter dated 27 September 2012, terminating the application of IPTV Services Agreement with respect to AD5SB, effective from 25 October 2012)	19 January 2012	MBSB Media Innovations Pty Ltd. (“Media Innovations”) Astro Digital 5 Sdn Bhd (“AD5SB”)	Provision of IPTV platform and customer premises equipment development services and IPTV related services including operational, consultancy and project (hardware and software) services	Fees payable by MBSB to Media Innovations and AD5SB	Cash	Please see Note 2 on page 263 for further details on the relationship between MBSB, Media Innovations and AD5SB.
	(b) Amendment to IPTV Services Agreement	3 April 2013	MBSB Media Innovations	Agreement to amend the scope of services of Media Innovations under the IPTV Services Agreement			
8.	(a) Amended and Restated Fibre Co-Marketing Agreement	17 January 2020	MBSB MEASAT Broadcast Network Systems Sdn. Bhd. (“MBNS”)	To exclusively collaborate and co-market unique customer offers combining Astro’s content service with Maxis’ fibre service	(a) Set Charges payable by MBSB to MBNS for Astro’s content service (b) Set Charges payable by MBNS to MBSB for Maxis’ fibre service	Cash	Please see Note 2 on page 263 for further details on the relationship between MBSB and MBNS.
	(b) Supplemental Agreement to the Amended and Restated Fibre Co-Marketing Agreement	26 November 2021	MBSB MBNS	To extend the collaboration under the Amended and Restated Fibre Co-Marketing Agreement to commercial establishments	(a) Set Charges payable by MBSB to MBNS for Astro’s content service (b) Set Charges payable by MBNS to MBSB for Maxis’ fibre service	Cash	

No.	Contract	Date	Parties	General Nature	Consideration passing to or from the Company or any other corporation in the Group	Mode of satisfaction of consideration	Relationship between director or major shareholder and contracting party (if director or major shareholder is not contracting party)
	(c) Wireless and ADSL Co-Marketing Agreement	30 April 2013	MBSB MBNS	To exclusively collaborate and co-market unique customer offers combining Astro B.yond, IPTV and Astro On The Go services with Maxis' wireless and Internet and Asymmetric Digital Subscriber Line ('ADSL') services	Charges payable by MBNS to MBSB	Cash	
	(d) Astro B.yond IPTV Services and Astro OTT Services Dealer Agreement	30 April 2013	MBSB MBNS	Appointment of MBSB as an authorised dealer to sell and promote Astro B.yond IPTV services and Astro OTT (over the top internet) services	Charges payable by MBNS to MBSB	Cash	
9.	Maxis TV Partnership Agreement	6 December 2021	MBSB MBNS	Appointment of MBSB as (i) an agent to sell and promote Astro's sooka service as a standalone; and (ii) an independent distributor to sell subscriptions to Astro's sooka service bundled with MBSB's other products and services	Charges payable by MBSB to MBNS	Cash	Please see Note 2 on page 263 for further details on the relationship between MBSB and MBNS.

Notes:

A. The Transponder Lease Agreement (for Measat-3) dated 19 June 2020 between MBSB and MSS has superseded the Transponder Lease (for Measat-3) dated 17 October 2007 and the 14 supplemental letters between MBSB and MSS dated 20 May 2009, 9 June 2009, 17 February 2010, 17 June 2010, 20 April 2011, 8 May 2012, 13 July 2012, 4 January 2013, 8 January 2013, 29 October 2013, 17 March 2014, 14 October 2014, 3 November 2015, and 20 December 2019 respectively;

B. The Telesales Agreement dated 22 January 2020 between MBSB and SRG has superseded the Agreement for the Provision of Services for Contact Centre dated 13 March 2018 and the Supplemental No. 1 dated 1 October 2019 where it relates to procurement of outbound customer call handling and telemarketing services provided by SRG to MBSB.

1. MSS and MBIL are the wholly-owned subsidiaries of MEASAT Global Berhad ("MGB"). Ananda Krishnan Tatparanandam ("TAK") who is a Major Shareholder of the Company, is also a major shareholder of MGB. MSM, who is a Major Shareholder of the Company, is also a major shareholder of MGB. Lim Ghee Keong ("LGK"), who is a Director of the Company and MBSB is also a director of MEASAT Global Network Systems Sdn. Bhd., a major shareholder of MGB.

2. AD5SB and MBNS are the wholly-owned subsidiaries of Astro Malaysia Holdings Berhad ("AMH") whilst Media Innovations is wholly-owned by Media Innovations Holdings Pty. Ltd. ("MIHPL"), a 83.84% owned subsidiary of Astro Overseas Limited which in turn is wholly-owned by Astro Holdings Sdn. Bhd. ("AHSB") via Astro All Asia Networks Limited. UTSB, PSIL, Excorp, PanOcean and TAK, who are Major Shareholders of the Company, are also major shareholders of AMH and AHSB. LGK, who is a Director of the Company and MBSB, is also a director of AMH, MBNS, AHSB and Astro Overseas Limited.

Disclosure of Recurrent Related Party Transactions

At the Twelfth Annual General Meeting held on 22 April 2021, the Company obtained a mandate from its shareholders ("Shareholders' Mandate") for recurrent related party transactions ("RRPTs") of a revenue or trading nature.

In compliance with Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), such Shareholders' Mandate is subject to annual renewal and the disclosure in the Annual Report of RRPTs conducted pursuant to the mandate during the financial year ended 31 December 2021 where the aggregate value of such RRPTs is equal to or more than RM1 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher.

Set out below are the relevant RRPTs for which Shareholders' Mandate had been obtained together with a breakdown of the aggregate value of the RRPTs which had been conducted pursuant to the Shareholders Mandate and had met the prescribed threshold.

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2021 to 21 April 2021 (RM'million)	Value incurred from 22 April 2021 to 31 December 2021 (RM'million)	Aggregate value of transactions during the financial year 2021 (RM'million)
Transactions with Astro Malaysia Holdings Berhad ("AMH") Group						
MBSB and/or its affiliates	MBNS and/or its affiliates	Provision of subscription type contents by MBNS and/or its affiliates to MBSB and/or its affiliates to be provided to Maxis subscribers	Please refer to Note 1	*	*	*
MBSB	MBNS and/or its affiliates	Strategic partnership on co-marketing and/or distribution of Astro content product(s) together with Maxis connectivity and/or carrier billing capabilities, either as bundled or standalone propositions				
		(i) Receivable by MBSB and/or its affiliates		26	80	106
		(ii) Payable to MBNS and/or its affiliates		6	16	22
MBSB and/or its affiliates	MBNS and/or its affiliates	Receivables of short code and keyword rentals by MBSB and/or its affiliates for facilitating the end to end transmission of MBNS Services between MBNS and Maxis subscribers		*	*	*
Aggregate Value of Transactions with AMH Group				**32**	**96**	**128**

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2021 to 21 April 2021 (RM'million)	Value incurred from 22 April 2021 to 31 December 2021 (RM'million)	Aggregate value of transactions during the financial year 2021 (RM'million)
Transactions with Usaha Tegas Sdn Bhd ("UT") Group						
MBSB and/or its affiliates	UTSBM and/or its affiliates	Engagement of UTSBM and/or its affiliates to provide corporate management services	Please refer to Note 2	9	21	30
MBSB and/or its affiliates	Mobitel (Private) Limited ("Mobitel")	• Roaming partner revenue to MBSB and/or its affiliates		*	*	*
		• Roaming partner expenses paid by MBSB and/or its affiliates		*	*	*
MBSB and/or its affiliates	Sri Lanka Telecom PLC ("SLT")	• Interconnect revenue to MBSB and/or its affiliates		*	*	*
		• Interconnect expenses paid by MBSB and/or its affiliates		1	0	1
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental, service charge and/or property service fee/ building expenses and other related expenses for Menara Maxis payable by MBSB and/or its affiliates		12	27	39
Aggregate Value of Transactions with UT Group				**22**	**48**	**70**

* Less than RM1 million.

Notes:

1. AMH Group

MBNS and ADSB are wholly-owned subsidiaries of Astro Malaysia Holdings Berhad ("AMH").

*Each of UTSB, PSIL, Excorp, PanOcean and TAK is a Major Shareholder with a deemed interest over 4,875,000,000 Shares representing 62.29% equity interest in Maxis ("**Shares**") by virtue of its deemed interest in Binariang GSM Sdn. Bhd. ("**BGSM**") which holds 100% equity interest in BGSM Management Sdn. Bhd. ("**BGSM Management**"). BGSM Management holds 100% equity interest in BGSM Equity Holdings Sdn. Bhd. ("**BGSM Equity**") which in turn holds 62.29% equity interest in Maxis. UTSB's deemed interest in such Shares arises through its wholly-owned subsidiaries, namely, Wilayah Resources Sdn. Bhd. ("**WRSB**"), Tegas Puri Sdn. Bhd. ("**TPSB**"), Besitang Barat Sdn. Bhd. ("**BBSB**") and Besitang Selatan Sdn. Bhd. ("**BSSB**"), which hold in aggregate 37% equity interest in BGSM.*

*Each of UTSB, PSIL, Excorp and PanOcean has a deemed interest over 1,249,075,472 ordinary shares ("**AMH Shares**") representing 23.95% equity interest in AMH through the wholly- owned subsidiaries of UTSB, namely, Usaha Tegas Entertainment Systems Sdn. Bhd. and All Asia Media Equities Limited with each holding 235,778,182 AMH Shares and 1,013,297,290 AMH Shares directly representing 4.52% and 19.43% equity interest in AMH respectively.*

PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations, including those for charitable purposes.

TAK is also a major shareholder of AMH with a deemed interest over 2,152,868,226 AMH Shares representing 41.29% equity interest in AMH. In addition, TAK is a director of PanOcean, Excorp, PSIL and UTSB. Although TAK and PanOcean are deemed to have an interest in the Shares and AMH Shares as described in the foregoing, they do not have any economic or beneficial interest over such shares as such interest is held subject to the terms of such discretionary trust referred to the paragraph above.

LGK who is a Director, is also a director in AMH and MBNS. He is also a director of MBSB, PSIL, Excorp, PanOcean and UTSB. LGK has a direct equity interest over 1,000,000 AMH Shares representing 0.02% equity interest in AMH. LGK does not have any equity interest in Maxis, MBSB or AMH subsidiaries.

*Each of THO, Dato' Badri and MSM is a Major Shareholder with a deemed interest over 4,875,000,000 Shares representing 62.29% equity interest in Maxis in which Harapan Nusantara Sdn. Bhd. ("**HNSB**") has an interest, by virtue of his 25% direct equity interest in HNSB. HNSB's deemed interest in such Shares arises through its wholly-owned subsidiaries, namely, Mujur Anggun Sdn. Bhd. ("**MASB**"), Cabaran Mujur Sdn. Bhd. ("**CMSB**"), Anak Samudra Sdn. Bhd. ("**ASSB**"), Dumai Maju Sdn. Bhd. ("**DMSB**"), Nusantara Makmur Sdn. Bhd. ("**NMSB**"), Usaha Kenanga Sdn. Bhd. ("**UKSB**") and Tegas Sari Sdn. Bhd. ("**TSSB**") (collectively, "**HNSB Subsidiaries**"), which hold in aggregate 30% equity interest in BGSM. The HNSB Subsidiaries hold their deemed interest in such Shares under discretionary trusts for Bumiputera objects. As such, HNSB, THO, Dato' Badri and MSM do not have any economic interest over such Shares as such interest is held subject to the terms of such discretionary trusts.*

*Each of THO, Dato' Badri and MSM has a deemed interest over 462,124,447 AMH Shares representing 8.86% equity interest in AMH in which Harapan Terus Sdn. Bhd. ("**HTSB**") has an interest, by virtue of his 25% direct equity interest in HTSB. HTSB's deemed interest in such AMH Shares arises through its wholly-owned subsidiaries, namely, Berkat Nusantara Sdn. Bhd. ("**BNSB**"), Nusantara Cempaka Sdn. Bhd. ("**NCSB**"), Nusantara Delima Sdn. Bhd. ("**NDSB**"), Mujur Nusantara Sdn. Bhd. ("**MNSB**"), Gerak Nusantara Sdn. Bhd. ("**GNSB**") and Sanjung Nusantara Sdn. Bhd. ("**SNSB**") (collectively, "**HTSB Subsidiaries**"). The HTSB Subsidiaries hold such AMH Shares under discretionary trusts for Bumiputera objects. As such, HTSB, THO, Dato' Badri and MSM do not have any economic interest over such AMH Shares as such interest is held subject to the terms of such discretionary trusts.*

MSM has a direct equity interest over 11,000 Shares representing 0.0001% equity interest in Maxis. He also has a direct equity interest over 200,000 AMH Shares representing 0.004% equity interest in AMH.

2. UT Group

*UTSBM is a wholly-owned subsidiary of UTSB while TCCPM and TGV are wholly-owned subsidiaries of Tanjong which in turn is wholly-owned by Tanjong Capital Sdn. Bhd. ("**TCSB**"). Mobitel is a wholly-owned subsidiary of SLT which in turn is 44.98% owned by UTSB. UTSBM, Mobitel, SLT, TCCPM and TGV are Persons Connected to UTSB, PSIL, Excorp, PanOcean and TAK. Please refer to Note 1 above for interests of UTSB, PSIL, Excorp, PanOcean and TAK in Maxis.*

*Each of PSIL, Excorp, PanOcean and TAK has a deemed interest over 124,688,000 ordinary shares in TCSB ("**TCSB Shares**") representing 65.84% equity interest in TCSB through UTSB. UTSB holds an aggregate of 124,688,000 TCSB Shares representing 65.84% equity interest in TCSB, of which 71,000,000 TCSB Shares representing 37.49% equity interest in TCSB is held directly by UTSB, while 53,688,000 TCSB Shares representing 28.35% equity interest in TCSB is held indirectly, via its wholly-owned subsidiary, Usaha Tegas Resources Sdn. Bhd. ("**UTRSB**").*

TAK has a deemed interest in the TCSB Shares in which UTSB has an interest by virtue of the deemed interest of PanOcean in the TCSB Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations, including those for charitable purposes. PanOcean holds 100% equity interest in Excorp which in turn holds 100% equity interest in PSIL. PSIL holds 99.999% equity interest in UTSB.

Although TAK and PanOcean are deemed to have an interest in the TCSB Shares as described in the foregoing, they do not have any economic or beneficial interest over such TCSB Shares, as such interest is held subject to the terms of such discretionary trust referred to the above.

*TAK is also deemed to have an interest over 47,792,803 TCSB Shares representing 25.23% equity interest in TCSB through the wholly-owned subsidiaries of MAI Sdn. Berhad ("**MAI**"), by virtue of his 100% direct equity interest in MAI.*

LGK who is a Director, is also a director of UTSB, UTSBM and TCSB. LGK does not have any equity interest in UTSB, UTSBM, TCSB, TCCPM and TGV. Please refer to Note 1 above for LGK's interest in Maxis.

MSM who is a Major Shareholder, is also a director of TCCPM. MSM does not have any equity interest in TCCPM. Please refer to Note 1 above for MSM's interest in Maxis.

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Diversity and Equal Opportunity			
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103-3	Evaluation of the management approach	Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation	77-82
405-1	Diversity of governance bodies and employees	Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation (Equal Opportunity Workforce Employment)	80
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413-1	Operations with local community engagement, impact assessments, and development programmes	Our Value Creation Theme 4: Caring for Our Community and Environment (Sustainable Employer Branding & Talent Acquisition Practices)	80-81

Glossary

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4G LTE: Or Long-Term Evolution; the next generation of mobile communications networks beyond 3G, which will deliver very high bandwidths to mobile devices.

5G: Next generation of mobile networks beyond LTE mobile networks. According to ITU guidelines, 5G network speeds should have a peak data rate of 20Gb/s for the downlink and 10Gb/s for the uplink. Beyond connecting people, 5G will connect devices.

AI: Artificial Intelligence; is the development of computer systems that have the ability to replicate several abilities of the human brain. It is the umbrella term for machines that are capable of perception, logic and reasoning.

AML/CFT: Anti-Money Laundering and Counter Financing of Terrorism

AOP: Annual Operating Plan

Apps: Or Applications, which are software programmes that can be downloaded and used on smartphones, tablets and computers. Popular Apps include Facebook, Twitter, Waze, WhatsApp, etc.

ARPU: Average Revenue Per User

B40: Bottom 40% of the Malaysian Household Income

BTS: Base Transceiver Station, which provides cellular coverage and capacity.

Bursa Securities: Bursa Malaysia Securities Berhad

Cloud Solutions: Refers to cloud computing services or computing resources that are delivered over the Internet for usage as and when they are needed

Corporate Governance Report 2021: Detailed application of the Principles and Recommendations of MCCG 2021 during the financial year 2021

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization

ESG: Environmental, Social & Governance

FWBB: Fixed Wireless Broadband

Greenhouse Gas (GHG): Gas that traps heat in the atmosphere

HSBB: High Speed Broadband

ICT: Information and Communications Technology; an umbrella term that includes any communications device or application, encompassing radio, television, cellular phones, computer and network hardware and software, satellite systems as well as various services and applications associated with them, such as video conferencing and distance learning.

IoT: Internet of Things; is the internetworking of physical devices, vehicles, buildings, and other items which are embedded with electronics, software, sensors, actuators and network connectivity that enable these objects to collect and exchange data

IP: Internet Protocol; a standard that keeps track of network addresses for different nodes, routes outgoing messages, and recognises incoming messages.

IPTV: Internet Protocol television

LRP: Long Range Plan

LTE: Long-Term Evolution

M2M: A direct communication between devices using a wireless network

M40: Middle 40% of the Malaysian Household Income

M&A: Mergers & Acquisitions

Maxperts: A group of highly skilled tech support team that offers solution expertise such as end-to-end resolution of issues, basic setup and configuration, password resets, product navigational assistance and remote troubleshooting for our range of selected Maxis solutions

Maxis or the Company: Maxis Berhad [Registration No. 200901024473 (867573-A)]

Mbps: Megabits per second

MCCG: Malaysian Code on Corporate Governance

MCMC: Malaysian Communications and Multimedia Commission

MCO: Movement Control Order

MMLR: Main Market Listing Requirements of Bursa Securities

NGO: Non-Governmental Organisation

NPS: Net Promoter Score

Operating Free Cash Flow: Cash flow from operating activities

QR Code: Quick Response Code

NB-IoT: NarrowBand - Internet of Things, a technology that is designed to enable connectivity to “things” using mobile networks. It improves the power of consumption of user devices, system capacity and spectrum efficiency, especially in deep coverage.

RAN: Radio Access Network; which comprises the base station technology and air interface of a cellular network.

Revenue Generating Subscriber (RGS30): Defined as active line subscriptions and exclude those that do not have any revenue generating activities for more than 30 days

SDN: Software-defined network

SME: Small and Medium Enterprises

SMS: Short Message Service
Spectrum: Or a spectrum of radio communication frequencies that is sold or licensed to operators of cellular telephone services. For example, Malaysia’s telecommunications industry utilises the spectrum frequencies of 900MHz, 1800MHz, etc. for provision of cellular services.

SOP: Standard Operating Procedure

UN SDGs: United Nations Sustainable Development Goals

VPN: Virtual Private Network

NOTICE IS HEREBY GIVEN THAT the Thirteenth (13th) Annual General Meeting ("AGM") of MAXIS BERHAD ("Maxis" or "the Company") will be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Online Meeting Platform	:	https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Day and Date	:	Thursday, 28 April 2022
Time	:	3.00 p.m.
Broadcast Venue	:	**Auditorium, Level 3A Floor** **Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim** **Seksyen 13, 46200, Petaling Jaya** **Selangor Darul Ehsan** **Malaysia**
Mode of Communication for Online Participation	:	1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal, one (1) hour before the Thirteenth AGM, that is from 2.00 p.m. on Thursday, 28 April 2022 2) E-mail questions to ir@maxis.com.my prior to the Thirteenth AGM

NO.	AGENDA	ORDINARY RESOLUTIONS
1	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A.**	
2	To re-elect the following Directors who retire pursuant to Rule 131.1 of the Company's Constitution and, being eligible, have offered themselves for re-election:	
	a) Tan Sri Mokhzani bin Mahathir	**Resolution 1**
	b) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	**Resolution 2**
	c) Mazen Ahmed M. AlJubeir	**Resolution 3**
	Please refer to Note B for further details regarding each director.	
3	To re-elect the following Directors who retire pursuant to Rule 116 of the Company's Constitution and, being eligible, have offered themselves for re-election:	
	a) Ooi Huey Tyng	**Resolution 4**
	b) Uthaya Kumar A/L K Vivekananda	**Resolution 5**
	Please refer to Note C for further details regarding each director.	
4	To approve the payment of Directors' fees and benefits to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting up till the conclusion of the next Annual General Meeting of the Company to be held in 2023. **Please refer to Note D on the details of the fees and the fee structure for the Board and each of the Committees in respect of which this approval is being sought.**	**Resolution 6**
5	To approve the payment of Directors' fees and benefits to the Non-Executive Directors of Maxis Collections Sdn Bhd, a wholly owned subsidiary of Maxis Berhad, from 1 September 2021 up till the conclusion of the next Annual General Meeting of the Company to be held in 2023. **Please refer to Note E on the details of the fees and fee structure for the Board of the subsidiary and the Board committee in respect of which this approval is being sought.**	**Resolution 7**
6	To re-appoint PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) ("PwC") as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Please refer to Note F.**	**Resolution 8**

As Special Business
To consider and, if thought fit, to pass the following Resolutions:

7 **Continuation in Office as Independent Director** **Resolution 9**

That approval be given for Alvin Michael Hew Thai Kheam to continue to act as Independent Director of the Company from 30 August 2022 to 29 August 2023.
Please refer to Note G.

8 Renewal of the Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016. **Resolution 10**

"THAT, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit including in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof provided that the aggregate number of shares to be issued pursuant to this approval does not exceed ten (10) percent of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act 2016, the Constitution of the Company, the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and the approvals of all relevant regulatory bodies being obtained (if required)."
Please refer to Note H.

9 To obtain shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature with:

a) Astro Malaysia Holdings Berhad and/or its affiliates; **Resolution 11**
b) Usaha Tegas Sdn. Bhd. and/or its affiliates; **Resolution 12**
c) MEASAT Global Berhad and/or its affiliates; **Resolution 13**
d) Maxis Communications Berhad and/or its affiliates; **Resolution 14**
e) Saudi Telecom Company and/or its affiliates; **Resolution 15**
f) SRG Asia Pacific Sdn. Bhd.; **Resolution 16**
g) Malaysian Landed Property Sdn. Bhd. and/or its affiliates; and **Resolution 17**
h) ZenREIT Sdn Bhd **Resolution 18**

The details of such RRPTs and the full text of Ordinary Resolution 11 to Ordinary Resolution 18 are set out in Appendix I and Appendix VI respectively of the Circular to Shareholders dated 30 March 2022 issued together with this Notice of Annual General Meeting.

10 To transact any other business that may be transacted at the Thirteenth Annual General Meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

DIPAK KAUR
SSM PC No. 201908002620
LS 5204
30 March 2022
Kuala Lumpur

EXPLANATORY NOTES

A. This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

B. Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir ("the retiring Director" or collectively "the retiring Directors") are due for retirement by rotation and are standing for re-election as Directors of the Company at the upcoming Thirteenth AGM.

For the purpose of determining the eligibility of the each of the retiring Directors to stand for re-election at the Thirteenth AGM, the Board through its Nomination Committee ("NC") had assessed each of the retiring Directors, and considered the following:

(i) performance and contribution based on the evaluation results of the Board Effectiveness Evaluation 2021 ("BEE 2021") as conducted by an independent leadership consulting firm, Spencer Stuart;
(ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
(iii) level of objectivity, impartiality and their abilities to act in the best interests of the Company.

In addition, the NC and the Board, in line with Practice 6.1 of the Malaysian Code on Corporate Governance (as at 28 April 2021) (MCCG), the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria which included the following:
(a) Will and ability to critically challenge and ask the right questions;
(b) Character and integrity in dealing with potential conflict of interest situations;
(c) Commitment to serve the company, due diligence and integrity;
(d) Confidence to stand up for a point of view;
(e) Fit and properness;
(f) Calibre and personality;
(g) Board dynamics and participation;
(h) Competency and capability;
(i) Independence and objectivity; and
(j) Contribution and performance.

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the outcome of the BEE 2021. In addition to the BEE 2021, each of the Directors were evaluated by Spencer Stuart, and the findings in the reports that highlighted their strengths and areas for improvements were shared with the Chairman of the Board and the Chairman of the NC.

The NC and the Board have considered the results of the assessment conducted on these Directors and collectively agree that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR and additionally have satisfied the Directors' fit and proper assessment criteria. The Board approved the NC's recommendation that the Directors who retire in accordance with Rule 131.1 of the Constitution namely, Tan Sri Mokhzani bin Mahathir, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda and Mazen Ahmed M. AlJubeir are eligible to stand for re-election. These three (3) retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant NC and Board meetings. The profiles of these retiring Directors are set out on pages 6 and 8 of the Company's Integrated Annual Report for the financial year ended 31 December 2021. Tan Sri Mokhzani bin Mahathir holds 750,000 shares and deemed interest of 1,000 shares in Maxis Berhad. Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda holds 750,000 shares in Maxis Berhad while Mazen Ahmed M. AlJubeir does not hold any shares in Maxis Berhad. Each of these Directors has no family relationship with any Director and/or major shareholder of Maxis Berhad, has no conflict of interests with Maxis Berhad, has not been convicted of any offence within the past five years and has not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2021.

In the case of Mazen Ahmed M. AlJubeir ("Mazen"), if his re-election is approved by shareholders at Maxis' upcoming Thirteenth AGM, he will be assuming the position of a non-independent non-executive director following the conclusion of the AGM. This position arises as a result of the amendment to the MMLR introduced by Bursa Securities on 13 August 2020 which require all persons being appointed independent directors of listed companies after 1 October 2020 to have observed a 3-year cooling off period if they have been a non-independent director before that. Mazen was a non-independent non-executive director of the Maxis Board up until 24 April 2020, when he was re-designated as an independent non-executive director of the Maxis Board. However, in light of the requirement under the MMLR, Mazen will not be in a position to satisfy this new criteria at the point of his re-appointment at the upcoming AGM. Accordingly, if his re-election to the Maxis Board is approved by shareholders, he will assume the role of a non-independent non-executive director of the Maxis Board.

The retiring Directors referred to in Resolutions 1 to 3 will abstain from voting on the resolution in respect of their re-election at the Thirteenth AGM.

C. Ooi Huey Tyng and Uthaya Kumar A/L K Vivekananda were appointed as Directors of the Company with effect from 30 March 2022. Both Directors, being eligible, have offered themselves for re-election pursuant to Rule 116 of the Company's Constitution. The profiles of the 2 Directors are as follows:

Ooi Huey Tyng		
Age	:	55 years old
Gender	:	Female
Nationality	:	Singaporean
Designation	:	Non Executive Director
Directorate	:	Independent and Non Executive
Qualifications	:	- Masters of Science in Finance from Purdue University, USA - Certified Public Accountant in Singapore and UK - Member of INSEAD alumni and attended the Advanced Management Programme at INSEAD, Fontainebleau, France
Working Experience and occupation	:	Ooi Huey Tyng is currently an Independent Director and Member of Risk Management and Audit Committee of AIG Asia Pacific Board, an Independent Director of Pacific Century Group, Bridgetown 3 SPAC and Member of the Board of Governors, Raffles Institution (Appointment approved by Ministry of Education Singapore). Previously, she held multiple roles in GrabPay such as Managing Director for GrabPay Southeast Asia, Board Member of GrabPay Malaysia, Board Member of GrabPay Philippines, Board Member of GrabLink Philippines Inc, Board Member of GrabInsure Insurance Agency Philippines Inc and Advisor of Grab Financial Group. Before joining Grab, she was with Visa as Country Manager for Singapore, Brunei and Regional Client Management and was in the banking industry.
Directorships in public companies and listed issuers (if any)	:	Nil

Uthaya Kumar A/L K Vivekananda		
Age	:	68 years old
Gender	:	Male
Nationality	:	Malaysian
Designation	:	Non Executive Director
Directorate	:	Independent and Non Executive
Qualifications	:	- Fellow of the Institute of Chartered Accountants in England & Wales - Chartered Accountant, Malaysian Institute of Accountants - Member of Malaysian Association of Certified Public Accountants
Working Experience and occupation	:	Uthaya Kumar A/L K Vivekananda is currently an Independent Director and Chairman of Audit and Risk Management Committees of Bumi Armada Berhad and Independent Director and Member of Audit and Committee and Senior Tender Board Committee of Sri Lanka Telecom Plc. He was previously a senior partner of PricewaterhouseCoopers South East Asia Peninsula ("PwC") and he was with PwC for 35 years. He has led and worked on some of the most challenging and complex assignments, both in Malaysia and globally, working with multinational and blue-chip national clients in audit, business advisory, mergers and acquisitions, valuations, privatisations, initial public offerings and cross-border transactions
Directorships in public companies and listed issuers (if any)	:	Bumi Armada Berhad

The NC and the Board have considered the results of the assessment conducted on these Directors upon appointment, and collectively agree that they each meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR and additionally have satisfied the Directors' fit and proper assessment criteria.

These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the Board meetings. The profiles of these retiring Directors are set out in the Maxis website www.maxis.com.my. Both the Directors do not hold any shares in Maxis Berhad. Each of these Directors has no family relationship with any Director and/or major shareholder of Maxis Berhad, has no conflict of interests with Maxis Berhad, has not been convicted of any offence within the past five years and has not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2021, and up to the date of their appointment on 30 March 2022.

D. **Payment of Directors' Remuneration to the Non-Executive Directors of the Company from the conclusion of this meeting up till the conclusion of the next Annual General Meeting of the Company in 2023.**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits ("Remuneration") payable to the Directors of the Company are required to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of Remuneration to Non-Executive Directors of the Company in respect of the period commencing from the conclusion of this Annual General Meeting up till the conclusion of the next

Annual General Meeting of the Company in 2023 in accordance with the remuneration structure set out below. The Remuneration comprises fees and other benefits-in-kind ("BIK") payable to the Chairman and members of the Board, and the Chairmen and members of Board Committees

Remuneration Structure	Monthly Fees/BIK (RM)
Chairman's Fees	33,334
Director's Fees	20,834
Chairman of Audit and Risk Committee	10,000
Chairman of Remuneration Committee	4,167
Chairman of Nomination Committee	4,167
Chairman of Business & IT Transformation Committee	10,000
Chairman of the Government and Regulatory Affairs Committee	4,167
Member of Audit and Risk Committee	4,167
Member of Remuneration Committee	1,667
Member of Nomination Committee	1,667
Member of Business & IT Transformation Committee	4,167
Member of Government and Regulatory Affairs Committee	1,667
Chairman's BIK	5,350

Note: *There are no changes to the remuneration structure and monthly fees for the Directors since the last AGM. The Chairman's BIK comprises car and driver benefits, which BIK value is based on the prescribed value method issued by the Malaysian Inland Revenue Board (Public Ruling 11/2019).*

If passed, this shareholders' approval will allow the Company to make payment of Remuneration to Non-Executive Directors on a monthly basis in accordance with the remuneration structure set out above from the conclusion of the Thirteenth AGM up till the next Annual General Meeting of the Company to be held in 2023.

E. **Payment of Directors' Remuneration to the Non-Executive Directors of Maxis Collections Sdn Bhd ("MCSB"), a wholly owned subsidiary of Maxis Berhad, from 1 September 2021 until the conclusion of the next Annual General Meeting of the Company in 2023.**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits ("Remuneration") payable to the Directors of the subsidiaries of the Company are also required to be approved by shareholders at a general meeting.

The Company is requesting shareholders' approval for the payment of Remuneration to the Non-Executive Directors of MCSB in respect of the period commencing from 1 September 2021 up till the conclusion of the next Annual General Meeting of the Company to be held in 2023 in accordance with the remuneration structure set out below. The Remuneration comprises fees payable to the Non-Executive Directors of MCSB and members of Board Committees.

Description	Fees/BIK (RM)
Director's fees and fee as member of the Audit and Risk Committee	5,000 per month

If passed, this shareholders' approval will allow MCSB to make payment of Remuneration to the Non-Executive Directors of MCSB in respect of such periods commencing from the dates of their respective appointments as members of the Audit and Risk Committee and Board of MCSB up till the conclusion of the Annual General Meeting of the Company to be held in 2023 in accordance with the remuneration structure set out above. Such payment will comprise a lump sum amount to be paid to the existing Independent Non-Executive Directors of MCSB, Susan Yuen Su Min and Ong Soo Chan (Christina Ong) after the conclusion of this AGM, in respect of such periods commencing from their respective appointments as members of the Audit and Risk Committee of MCSB on 1 September 2021 and as Directors of MCSB on 15 September 2021 up till this AGM calculated in accordance with the remuneration structure set out above. It will also allow MCSB to make payments of such Remuneration to any Non-Executive Director of MCSB in accordance with the remuneration structure set out above on a monthly basis in respect of the period commencing from the conclusion of the Thirteenth AGM up till the next Annual General Meeting of the Company to be held in 2023.

F. The Audit and Risk Committee ("ARC") and the Board have considered the re-appointment of PwC as Auditors of the Company and collectively agree that PwC meets the criteria of the adequacy of resources and experience prescribed by Paragraph 15.21 of the MMLR.

The ARC at its meeting held on 21 February 2022 has made an assessment of the suitability and independence of the external auditors, PwC in accordance with the External Auditor Independence Policy of the Group, the criteria under Paragraph 15.21 of the MMLR. It had also considered the information presented by PwC in its 2021 Audit Transparency Report as per Guidance 9.3 of the Malaysian Code on Corporate Governance (as at 28 April 2021). In addition to the information in PwC's 2021 Audit Transparency Report the ARC had also considered, among others, the following factors in its assessment:

(a) Quality of PwC's performance and their communications with the ARC and Maxis Group, based on feedback obtained via assessment surveys facilitated by the Maxis Group Internal Assurance function that had gathered responses from the ARC members and management who had substantial contact with PwC throughout the year;
(b) Adequacy of experience and resources provided to the Maxis Group by PwC, in terms of the firm and the professional staff assigned to the audit; and
(c) Independence of PwC and the level of non-audit services rendered by PwC to the Maxis Group in financial year ended 2021 and the services to be rendered for the financial year ended 2022.

The ARC also took into account the professionalism and transparency in communication and interaction with the lead audit engagement partner and engagement team through discussions at the ARC meetings, engagements with the Chairman and members of the ARC and at the ARC private meetings, which demonstrated their independence, objectivity and professionalism.

The ARC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Maxis Group. The ARC was also satisfied in its review that the provisions of non-audit services by PwC to the Company and the Group for the financial year ended 2021 did not in any way impair their objectivity and independence as external auditors of the Maxis Group.

The Board at its meeting held on 22 February 2022 approved the ARC's recommendation for shareholders' approval to be sought at the Thirteenth AGM on the appointment of PwC as external auditors of the Company for the financial year ended 2022, under this resolution in accordance with Rule 90 of the Company's Constitution, Sections 340(1)(c) and 274(1)(a) of the Companies Act 2016.

G. Alvin Michael Hew Thai Kheam ("AMH") was appointed as Independent Director on 30 August 2012 and will exceed the cumulative tenure of nine years after 30 August 2022. In accordance with the Malaysian Code on Corporate Governance (as at 28 April 2021), the Board, through the NC, undertook relevant assessments and took into account relevant considerations including the findings of Spencer Stuart, appointed to assess the overall independence of the Company's Directors, including AMH. The NC and Board have recommended for AMH to continue serving as Independent Non-Executive Director for a further one (1) year period from 30 August 2022 to 29 August 2023 based on the following justifications:

(a) AMH has fulfilled the criteria of an Independent Director as stated in the MMLR.
(b) AMH has demonstrated his objectivity and independence when providing his views and contributions as a member of the Board when considering Board-related matters and in discharging his responsibilities as a Director.
(c) The length of time that he has remained in his role has not interfered with his ability to exercise independent judgment as an Independent Director.
(d) AMH, together with the other Independent Directors, each function as a check and balance to the Board and in the exercise of objectivity as Directors.
(e) AMH has vast experience, knowledge and skills in a diverse range of businesses and therefore continually provides constructive opinion, counsel, oversight and guidance as a Director. His insights and guidance provide impartiality to matters considered at the Board and Committees.

(f) AMH has devoted sufficient time and attention to his professional obligations to Maxis required for informed and balanced decision making.

(g) Spencer Stuart has found AMH's overall independent mindedness to rank highly based on their assessment. Spencer Stuart used a capability-based analysis to assess the elements of independent mindedness (Cognitive and Personality) in board room (including committee) interactions and decision making. This is further validated by 360 degree feedback from fellow Directors and members of Senior Management.

The NC and the Board are satisfied that AMH has been able to exercise independent judgment and that he acts consistently in the best interests of the Company. AMH has continued to exercise his independence and due care during his present tenure as an Independent Non-Executive Director and has contributed in his role as Chairman of the Audit and Risk Committee, member of the Nomination Committee, Remuneration Committee and the Business and Information Technology Transformation Committee. AMH has abstained from all deliberations and voting at the NC and Board in relation to the recommendation of this resolution to the shareholders.

The profile of AMH is set out on page 8 of the Company's Integrated Annual Report for the financial year ended 31 December 2021. AMH does not hold any shares in Maxis Berhad, has no family relationship with any Director and/or major shareholder of Maxis Berhad, has no conflict of interests with Maxis Berhad and has not been convicted of any offence within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the financial year ended 2021.

H. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The Ordinary Resolution proposed pursuant to this resolution is for the purpose of renewing the general mandate for issuance of shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act 2016 under the general mandate sought at the Twelfth AGM held on 22 April 2021, which will lapse upon the conclusion of the forthcoming Thirteenth AGM to be held on 28 April 2022.

The proposed resolution, if passed, will give authority to the Directors of the Company, from the date of this Annual General Meeting, to allot and issue shares or to make or grant offers, agreements or options in respect of shares to such persons, in their absolute discretion including to make or grant offers, agreements or options which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a general meeting, provided that the aggregate number of shares issued does not exceed 10% of the total number of issued shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The general mandate sought will enable the Directors of the Company to allot and issue shares, including but not limited to making a placement of shares for the purposes of raising funding for investment(s), working capital and general corporate purposes as deemed necessary

Notes:

1. Virtual AGM

(i) The Thirteenth AGM shall be held as a virtual meeting where members are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Thirteenth AGM in order to register, participate and vote remotely via RPEV facilities.

(ii) With RPEV facilities, a member may exercise his/her right to participate (including to pose questions to the Company) and vote at the Thirteenth AGM. Members may use the query box facility to submit questions real time during the Thirteenth AGM or e-mail questions to ir@maxis.com.my prior to the meeting in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers released by Securities Commission Malaysia ("SC") on 18 April 2020 and revised on 16 July 2021 ("SC Guidance Note").

(iii) The venue of the Thirteenth AGM is strictly for purposes of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the Meeting to be at the main venue ("Broadcast Venue") and to facilitate the conduct of the virtual meeting. No shareholders or proxies will be allowed to be physically present at the Broadcast Venue.

2. **Proxy**

(i) Since the Thirteenth AGM will be conducted as a virtual meeting, members wishing to participate in the meeting would be required to register yourselves through https://investor.boardroomlimited.com in order to participate remotely in the Thirteenth AGM.

(ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:

(a) save as provided for in Note 2(iv), the Companies Act 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and

(b) where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of the member's shareholdings to be represented by each proxy.

The members or their proxies may submit questions to the Company at ir@maxis.com.my prior to the Thirteenth AGM or using the query box to transmit questions via RPEV facilities during the live streaming of the Thirteenth AGM.

(iii) If a member of the Company entitled to attend and vote at a meeting of the Company is not able to participate the Thirteenth AGM via RPEV facilities on 28 April 2022, in line with the SC Guidance Note, members are strongly encouraged to appoint the Chairman of the meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy ("Proxy Form").

(iv) For the avoidance of doubt, and subject always to Note 2(ii)(b), the Companies Act 2016 and any applicable laws:

(a) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(b) Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.

(c) A member who is a substantial shareholder (within the meaning of the Companies Act 2016) may appoint up to (but not more than) five (5) proxies.

(v) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

(vi) Proxy appointment may be made via hardcopy proxy form pursuant to Rule 111 of the Company's Constitution or electronically pursuant to Rule 89 of the Company's Constitution. The instrument appointing a proxy shall be as follows:

(a) In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd, at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 27 April 2022 at 3.00 p.m.,

(b) By Electronic Means

The Proxy Form may be submitted:

(i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd via e-mail to bsr.helpdesk@boardroomlimited.com, no later than Wednesday, 27 April 2022 at 3.00 p.m.,
(ii) via electronic means ("e-Proxy") through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com by logging in and selecting "Submit eProxy Form" no later than Wednesday, 27 April 2022 at 3.00 p.m. (please refer to the RPEV Administrative Details and the Annexure to the Proxy Form available at https://maxis.listedcompany.com/ar2021.html for further information on electronic submission).

3. Voting

(i) Pursuant to Paragraph 8.29A(1) of the MMLR, all the resolutions at the Thirteenth AGM of the Company shall be put to vote by way of poll.
(ii) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
(iii) The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.
(iv) Please refer to the voting procedures as specified in the RPEV Administrative Details for the Thirteenth AGM.
(v) Upon completion of the voting session for the Thirteenth AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

Members Entitled to Attend

For purposes of determining the entitlement of a member to attend the Thirteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 18 April 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 April 2022 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

Personal Data Protection Measures

Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement as found on page 259 of Maxis Integrated Annual Report 2021.

By attending the AGM and/or registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to: (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

NOTE 1: The term "processing" and "personal data" shall have the same meaning as defined in the Personal Data Protection Act 2010.

NOTE 2: This statement should be read in conjunction with Maxis' Privacy Notice for Shareholders which also accessible at https://maxis.listedcompany.com/corporate_governance.html.

NOTE 3: For the avoidance of doubt, a member of the Company refers to the registered shareholder of Maxis Berhad and includes a personal representative or trustee of an estate (in the case of a deceased individual shareholder).

Maxis Integrated Annual Report 2021, Circular to Shareholders, Corporate Governance Report 2021 and queries related to Thirteenth AGM

1. Maxis Integrated Annual Report 2021, Circular to Shareholders and Corporate Governance Report 2021 may be downloaded at this link https://maxis.listedcompany.com/ar2021.html

2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and Company's website at www.maxis.com.my from time to time for any updates on the Thirteenth AGM subsequent to the issuance of this Notice.

3. Any queries relating to the Thirteenth AGM including the lodgment of proxy form and the RPEV procedures may be directed to bsr.helpdesk@boardroomlimited.com. For the avoidance of doubt, save for making the foregoing queries, you may not use the said email address to communicate with the Company for any other purposes.

4. Please refer to the RPEV Administrative Details at this link https://maxis.listedcompany.com/ar2021.html for further details of the Thirteenth AGM.

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Maxis Berhad [Registration No. 200901024473 (867573-A)]

Proxy Form

*I/*We____*NRIC (new and old)/*Passport/*Company No_____________________________

(FULL NAME OF A MEMBER IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT/*CERTIFICATE OF INCORPORATION) (COMPULSORY: NEW AND OLD)

of____

(ADDRESS)

telephone no. and email address______________________being a member of Maxis Berhad ("the Company"), hereby appoint________________________

____*NRIC/*Passport No____

(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of____

(ADDRESS)

Telephone No: _____________________________________Email Address: ____

and/or____*NRIC/*Passport No__________________________________

(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of____

(ADDRESS)

Telephone No: _____________________________________Email Address: ____

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Thirteenth Annual General Meeting of the Company to be conducted virtually on our following Meeting Platform on Thursday, 28 April 2022 at 3.00 p.m. and at any adjournment thereof.

Online Meeting Platform	: https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657)
Day and Date	: Thursday, 28 April 2022
Time	: 3.00 p.m.
Broadcast Venue	: Auditorium, Level 3A Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Mode of Communication	: 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal, one (1) hour before the Thirteenth AGM, that is from 2.00 p.m. on Wednesday, 28 April 2022. 2) E-mail questions to ir@maxis.com.my prior to the Thirteenth Annual General Meeting.

*I/We indicate with an "√" or "X" in the spaces below how *I/we wish *my/our vote to be cast:

AGENDA

1 To receive the Audited Financial Statements and the Reports of Directors and Auditors thereon.

	ORDINARY RESOLUTIONS		FOR	AGAINST
2	Re-election of the following Directors who retire pursuant to Rule 131.1 of the Company's Constitution:			
	(a) Tan Sri Mokhzani bin Mahathir	Resolution 1		
	(b) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	Resolution 2		
	(c) Mazen Ahmed M. AlJubeir	Resolution 3		
3	Re-election of the following Directors who retire pursuant to Rule 116 of the Company'			
	(a) Ooi Huey Tyng	Resolution 4		
	(b) Uthaya Kumar A/L K Vivekananda	Resolution 5		
4	Approval for Directors' Remuneration for Non-Executive Directors of the Company from the conclusion of this Annual General Meeting up till the conclusion of the next Annual General Meeting of the Company	Resolution 6		
5	Approval for Directors' Remuneration for Non-Executive Directors of Maxis Collections Sdn Bhd, a wholly owned subsidiary of Maxis Berhad from 1 September 2021 up till the conclusion of the next Annual General Meeting	Resolution 7		
6	Re-Appointment of PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) ("PwC") as Auditors of the Company	Resolution 8		
7	Approval for Alvin Michael Hew Thai Kheam to continue to act as Independent Non-Executive Director from 30 August 2022 to 29 August 2023	Resolution 9		
8	Renewal of Authority to allot and issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	Resolution 10		
9	To obtain shareholders' mandate for the Company and/or subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature with:			
	(a) Astro Malaysia Holdings Berhad and/or its affiliates	Resolution 11		
	(b) Usaha Tegas Sdn Bhd and/or its affiliates	Resolution 12		
	(c) MEASAT Global Berhad and/or its affiliates	Resolution 13		
	(d) Maxis Communications Berhad and/or its affiliates	Resolution 14		
	(e) Saudi Telecom Company and/or its affiliates	Resolution 15		
	(f) SRG Asia Pacific Sdn Bhd	Resolution 16		
	(g) Malaysian Landed Property Sdn Bhd and/or its affiliates	Resolution 17		
	(h) ZenREIT Sdn Bhd	Resolution 18		

Subject to the above stated voting instructions, *my/*our proxy may vote or abstain from voting on any resolution as *he/*she/*they may think fit.

If appointment of proxy is under hand

....

Signed by *individual member/*officer or attorney of member/*authorised nominee of

.... (beneficial owner)

No. of shares held: ....

Securities Account No.: ....
(CDS Account No.) (Compulsory)

Date:

If appointment of proxy is under seal
The Common Seal of

was hereto affixed in accordance with its Constitution in the presence of:

....

Director *Director/*Secretary

in its capacity as *member/*attorney of member/*authorised nominee of

.... (beneficial owner)

No. of shares held: ....

Securities Account No.: ....
(CDS Account No.) (Compulsory)

Date:

Seal

The proportions of *my/*our holding to be represented by *my/*our proxies are as follows:

First Proxy
No. of Shares: ....

Percentage: .... %

Second Proxy
No. of Shares: ....

Percentage: .... %

Notes:

1. **Virtual AGM**
   (i) The Thirteenth Annual General Meeting ("Thirteenth AGM") shall be held as a virtual meeting where members are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC – D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Thirteenth AGM in order to register, participate and vote remotely via RPEV facilities.
   (ii) With RPEV facilities, a member may exercise his/her right to participate (including to pose questions to the Company) and vote at the Thirteenth AGM. Members may use the query box facility to submit questions real time during the Thirteenth AGM or e-mail questions to ir@maxis.com.my prior to the meeting in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers released by Securities Commission Malaysia ("SC") on 18 April 2020 and revised on 16 July 2021 ("SC Guidance Note").
   (iii) The venue of the Thirteenth AGM is strictly for the purposes of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the Meeting to be at the main venue (Broadcast Venue) and to facilitate the conduct of the virtual meeting. No shareholders or proxies will be allowed to be physically present at the Broadcast Venue.

2. **Proxy**
   (i) Since the Thirteenth AGM will be conducted as a virtual meeting, members wishing to participate in the meeting would be required to register yourselves https://investor.boardroomlimited.com in order to participate remotely in the Thirteenth AGM.
   (ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:
   (a) save as provided for in Note 2(iv), the Companies Act 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
   (b) where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of the member's shareholdings to be represented by each proxy.
   The members or their proxies may submit questions to the Company at ir@maxis.com.my prior to the Thirteenth AGM or using the query box to transmit questions via RPEV facilities during the live streaming of the Thirteenth AGM.
   (iii) If a member of the Company entitled to attend and vote at a meeting of the Company is not able to participate the Thirteenth AGM via RPEV facilities on 28 April 2022, in line with the SC Guidance Note, members are strongly encouraged to appoint the Chairman of the meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy ("Proxy Form").
   (iv) For the avoidance of doubt, and subject always to Note 2(ii)(b), the Companies Act 2016 and any applicable laws:
   (a) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
   (b) Where a member of the Company is an authorised nominee, it may appoint at least one proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
   (c) A member who is a substantial shareholder (within the meaning of the Companies Act 2016) may appoint up to (but not more than) five (5) proxies.
   (v) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
   (vi) Proxy appointment may be made via hardcopy
   (a) In Hardcopy Form
   The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

   The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn Bhd, Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 27 April 2022 at 3.00 p.m.,
   (b) By Electronic Means
   The Proxy Form may be submitted:
   (i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd via e-mail to bsr.helpdesk@boardroomlimited.com, no later than Wednesday, 27 April 2022 at 3.00 p.m. or
   (ii) via electronic means ("e-Proxy") through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com by logging in and selecting "Submit eProxy Form" no later than Wednesday, 27 April 2022 at 3.00 p.m. (please refer to the RPEV Administrative Details and the Annexure to the Proxy Form available at https://maxis.listedcompany.com/ar2021.html for further information on electronic submission).

3. **Voting**
   (i) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Malaysia Securities Berhad, all the resolutions at the Thirteenth AGM of the Company shall be put to vote by way of poll.
   (ii) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
   (iii) The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.
   (iv) Please refer to the voting procedure as specified in the RPEV Administrative Details for the Thirteenth AGM.
   (v) Upon completion of the voting session for the Thirteenth AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the meeting's declaration whether the resolutions are duly passed.

Members Entitled to Attend
For purposes of determining the entitlement of a member to attend the Thirteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 18 April 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 April 2022 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

Personal Data Protection Act 2010
Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement as found on page 259 of Maxis Integrated Annual Report 2021.

By attending the AGM and/or registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to: (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

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NOTE 2: This statement should be read in conjunction with Maxis' Privacy Notice for Shareholders which also accessible at https://maxis.listedcompany.com/corporate_governance.html.
NOTE 3: For the avoidance of doubt, a member of the Company refers to a registered shareholder of Maxis Berhad and includes a personal representative or trustee of an estate (in the case of a deceased individual shareholder).

Maxis Integrated Annual Report 2021, Circular to Shareholders, Corporate Governance Report 2021 and queries related to Thirteenth AGM

1. Maxis Integrated Annual Report 2021, Circular to Shareholders and Corporate Governance Report 2021 may be downloaded at this link https://maxis.listedcompany.com/ar2021.html.
2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and Company's website at www.maxis.com.my from time to time for any updates on the Thirteenth AGM subsequent to the issuance of this Notice.
3. Any queries relating to the Thirteenth AGM including the lodgment of proxy form and the RPEV procedures may be directed to bsr.helpdesk@boardroomlimited.com. For the avoidance of doubt, save for making the foregoing queries, you may not use the said email address to communicate with the Company for any other purposes.
4. Please refer to the RPEV Administrative Details at this link https://maxis.listedcompany.com/ar2021.html for further details of the Thirteenth AGM.

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maxis

Maxis Berhad [Registration No. 200901024473 (867573-A)]

STAMP

Maxis Berhad
c/o Boardroom Share Registrars Sdn Bhd
[Registration Number: 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

fold here

www.maxis.com.my

Maxis Berhad [Registration No. 200901024473 (867573-A)]
Level 21, Menara Maxis, Kuala Lumpur City Centre
Off Jalan Ampang, 50088 Kuala Lumpur