

Always Be Ahead™



We are the leading converged solutions provider in Malaysia, where innovation and customer-centricity are at the heart of everything that we do. As an established provider with 27 years of track record, we will continue to focus on delivering the best connectivity experience and digital solutions to our customers.



We strive to enable individuals, families, businesses and communities to stay ahead through our All-Ways Connected™ network. Our mobile, fibre and converged offerings are tailored to suit their unique lifestyle and workplace needs.

As a responsible corporate citizen, we continue to integrate sustainability into our business, creating meaningful impact towards people and the planet. Our aim is to be digitally inclusive and help our customers and communities thrive in a digital world, use innovative technology to address environmental and social challenges, and be the trusted partner that everyone wants to work with.

At Maxis, we recognise that our people are our most valuable asset. Our highly engaged and empowered workforce continues to push boundaries and raise standards while serving our customers, communities and the nation.

As we enter into our next phase of growth, we continue to embody the spirit of excellence, resilience and agility in building a digital Malaysia. Together, we will create a more sustainable future for all, where we, and you, can **Always Be Ahead™**.



This Integrated Annual Report can also be downloaded as a PDF file or viewed as an interactive version at <https://maxis.listedcompany.com/ar22/>

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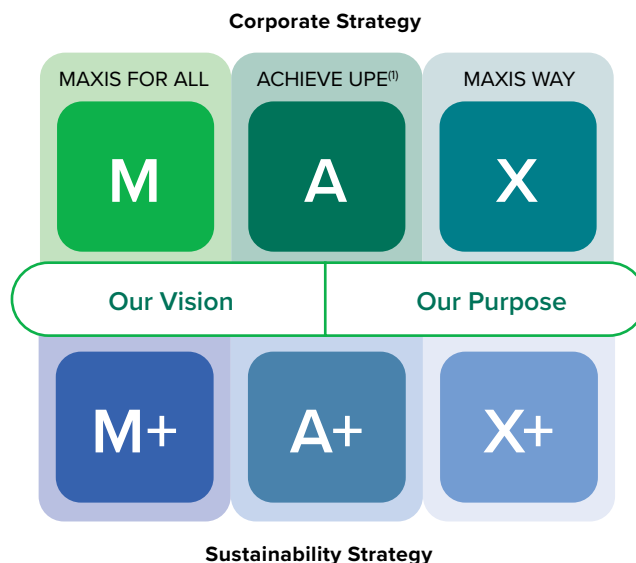
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NAVIGATION

This report employs the use of icons to link our strategy and material matters to our activities and outcomes.

OUR STRATEGY



Note:

⁽¹⁾ UPE – Unmatched Personalised Experience

Read more about our MAX & MAX+ Plan on pages 32 to 33.

THE SIX CAPITALS

Financial Capital

Our financial capital enables value creation with the other five capitals through the availability and management of our funds

Manufactured Capital

Our physical assets, such as our network infrastructure and data centres, are an important source of our competitive advantage

Intellectual Capital

Our innovation and technology have always been Maxis' core focus in enhancing our brand value

Human Capital

Our people are our most critical asset. We invest in our people's passion, creating our MaxisWay culture

Social & Relationship Capital

Our strong and lasting relationships with our key stakeholders are created through mutual trust, partnerships and value-added products and services

Natural Capital

We make conscious efforts to minimise the environmental impact of our value chain

FEEDBACK

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

For further information and feedback, please contact:

Investor Relations

Email: ir@maxis.com.my

ABOUT THIS REPORT



Welcome to Maxis Berhad's (Maxis) Integrated Annual Report (IAR) 2022. This report outlines our efforts in creating value for our business and our stakeholders through the efficient management of our six capitals and deployment of key resources during the year. Our end goal is to create sustainable and impactful outcomes that aid our value creation journey.

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

REPORTING SCOPE AND BOUNDARY

The report covers the financial period from 1 January 2022 to 31 December 2022 for Maxis Berhad. It includes information pertaining to both our financial and non-financial performance and the internal and external factors that influenced it. The report covers all business operations of Maxis, including our subsidiaries, and our sustainability initiatives, which are embedded throughout the report. The reporting scope remains largely the same as our IAR 2021 for the financial period from 1 January 2021 to 31 December 2021. To learn more about our sustainability initiatives, click on the link here (<https://maxis.listedcompany.com/ar22/>) and download the consolidated 'Sustainability at Maxis' section.

MATERIALITY

Bearing in mind our vision of being Malaysia's Leading Converged Solutions Provider, we have developed a strategic plan which takes into account the material matters that affect our business, as well as the risks and opportunities we have identified. Our report provides information on matters that could significantly affect our ability to create value over the short, medium and long term, as well as our outlook, and how we are addressing these matters through our various strategies.

OUR REPORTING SUITE

The following publications comprise our Integrated Reporting Suite, and the reporting frameworks and disclosure requirements they adhere to.

Integrated Annual Report 2022

- IIRC Integrated Reporting Framework (January 2021)
- Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)
- Bursa Malaysia Sustainability Reporting Guide (3rd edition)
- United Nations Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance
- Companies Act 2016
- Global Reporting Initiative (GRI) Standards 2021

Financial Statements

- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Companies Act 2016

ASSURANCE AND APPROVAL

The Board acknowledges its responsibility for the integrity of Maxis' IAR through good governance practices and internal reporting procedures. The Board has oversight of and approved the IAR on 22 March 2023. This report is dated 10 March 2023, except for our financial statements which are dated 8 March 2023 and other sections where the information is specified as at 31 December 2022.

Our financial statements were prepared and assured in accordance with the MFRS, IFRS and Companies Act 2016. Please refer to pages 91 to 210 for the audited financial statements and our independent auditor's report. We have not sought external assurance for our non-financial information. However, we are enhancing our internal processes and policies to consolidate and monitor Environmental, Social and Governance (ESG) data that is reported within the Company, in line with our ambition to obtain external assurance on non-financial information.

FORWARD-LOOKING STATEMENTS

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

Corporate Information

Board of Directors

TAN SRI MOKHZANI BIN MAHATHIR
Chairman / Non-Executive Director

**RAJA TAN SRI DATO' SERI ARSHAD
BIN RAJA TUN UDA**
Non-Executive Director

DATO' HAMIDAH NAZIADIN
Independent Non-Executive Director

ALVIN MICHAEL HEW THAI KHEAM
Senior Independent Non-Executive Director

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

OOI HUEY TYNG
Independent Non-Executive Director

MAZEN AHMED M. ALJUBEIR
Non-Executive Director

MOHAMMED ABDULLAH K. ALHARBI
Non-Executive Director

ABDULAZIZ ABDULLAH M. ALGHAMDI
Non-Executive Director

LIM GHEE KEONG
Non-Executive Director

Registered Office

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

Share Registrar

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

Company Secretary

Dipak Kaur
SSM PC No. 201908002620
LS 5204

Head of Internal Assurance

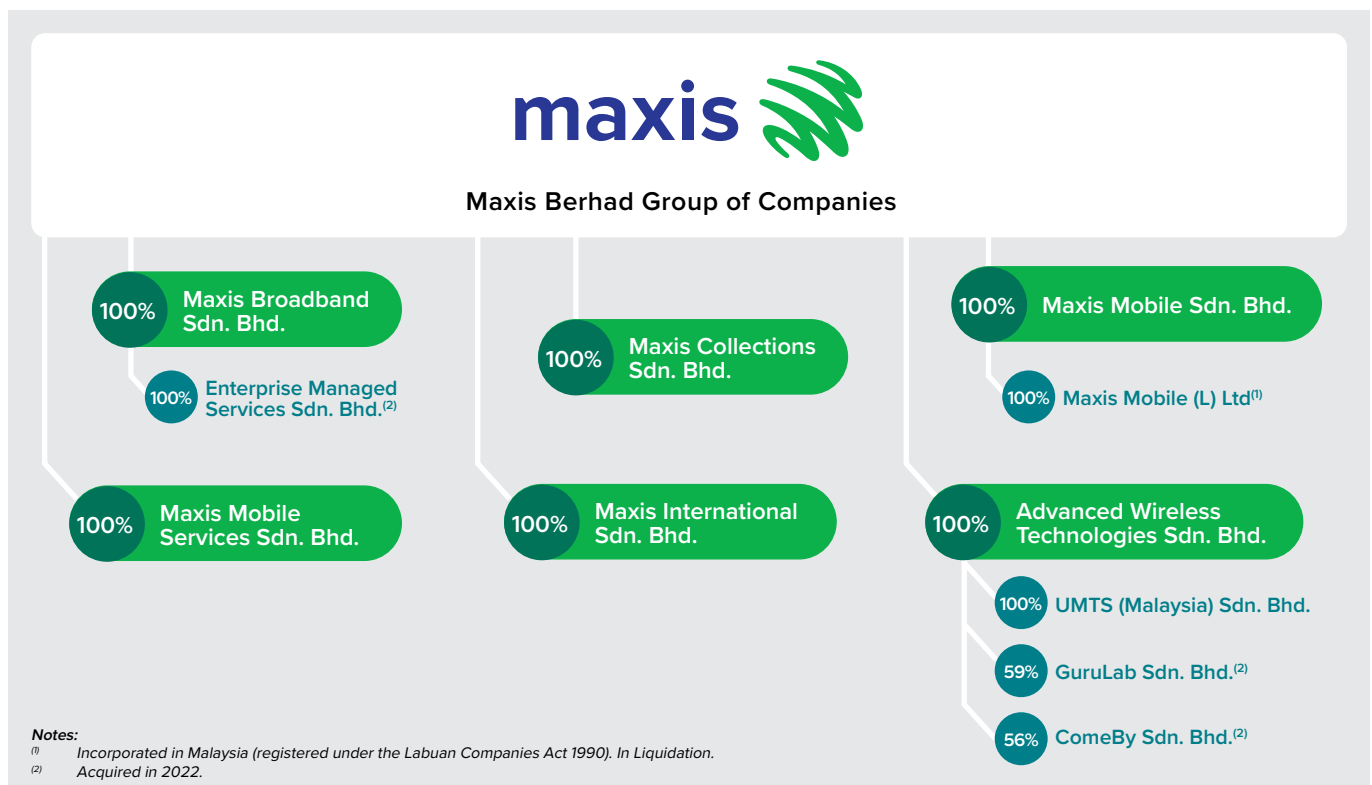
Shafik Azlee bin Mashar

Head of Integrity and Governance Unit

Nurirdzuana binti Ismail

Group Corporate Structure

as at 10 March 2023



Directors' Profiles

TAN SRI MOKHZANI BIN MAHATHIR

Chairman / Non-Executive Director

62	Date of Appointment as Director of Maxis: 16 October 2009
Male	Date of Appointment as Chairman of the Board: 22 April 2021
Malaysian	Tenure as Director: 13 years

Board Committees:

Government and Regulatory Affairs Committee (Chairman), Nomination Committee (Member), Share Issuance Committee (Chairman)

Qualifications

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

Number of Board Meetings attended during the year

8/8



RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA

Non-Executive Director

76	Date of Appointment as Director of Maxis: 16 October 2009
Male	Tenure as Director: 13 years
Malaysian	

Board Committees:

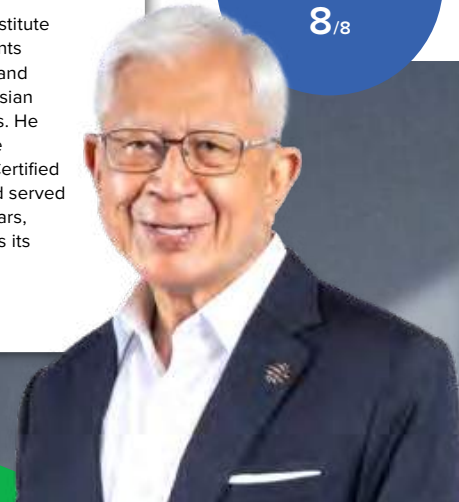
Government and Regulatory Affairs Committee (Member)

Qualifications

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including three years as its President.

Number of Board Meetings attended during the year

8/8



Working Experience/Occupation

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

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

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

Directorship in other public or listed companies

Yayasan Tun Dr Siti Hasmah

Working Experience/Occupation

Raja Arshad is currently the Chairman of Binariang GSM Sdn. Bhd., Ekuiti Nasional Berhad, Icon Offshore Berhad, Yayasan Amir and Yayasan Raja Muda Selangor and a Director of Yayasan DayaDiri. He is also the Chancellor of Universiti Selangor and a member of Council of Royal Court, Selangor.

He was formerly a Director of Khazanah Nasional Berhad. He was also formerly Executive Chairman of PricewaterhouseCoopers (PwC) Malaysia, Chairman of the Leadership Team of PwC Asia 7, Chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board.

His previous public appointments include being a member of the Securities Commission, the Malaysian Communications and Multimedia Commission, the Investment Panel of the Employees Provident Fund and the Board of Trustees of the National Art Gallery.

Directorship in other public or listed companies

Ekuiti Nasional Berhad, Icon Offshore Berhad, Yayasan Raja Muda Selangor, Yayasan DayaDiri and Yayasan Amir

Directors' Profiles

DATO' HAMIDAH NAZIADIN

Independent Non-Executive Director

59	Date of Appointment as Director of Maxis: 1 February 2014
Female	Tenure as Director: 9 years
Malaysian	

Board Committees:

Remuneration Committee (Chairman), Nomination Committee (Chairman), Audit and Risk Committee (Member)

Qualifications

She holds a Bachelor of Laws from the University of Wolverhampton and a Certificate in Personnel Management from the Malaysian Institute of Personnel Management.

Number of Board Meetings attended during the year

8/8

**Working Experience/Occupation**

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

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

She is currently an Independent Non-Executive Director of Sime Darby Property Berhad, Mr D.I.Y. Group (M) Berhad and Nestle (Malaysia) Berhad. She also sits on the Board of Majlis Sukan Negara Malaysia. She is active in mentoring and coaching young talent and women at various formal and informal settings.

Directorship in other public or listed companies

Nestle (Malaysia) Berhad, Sime Darby Property Berhad and Mr D.I.Y. Group (M) Berhad

ALVIN MICHAEL HEW THAI KHEAM

Senior Independent Non-Executive Director

59	Date of Appointment as Director of Maxis: 30 August 2012
Male	Tenure as Director: 10 years
Malaysian	

Board Committees:

Transformation Committee (Chairman), Audit and Risk Committee (Member), Remuneration Committee (Member), Nomination Committee (Member)

Qualifications

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

Number of Board Meetings attended during the year

7/8

**Working Experience/Occupation**

Alvin has 31 years of corporate experience covers private equity at The Abraaj Group; financial advisory and private equity at H2O Capital; commercial banking at TD Bank; investment banking at Lancaster Financial; business development and marketing at P&G in Switzerland, Vietnam, Southeast Asia and Australia; and top management and regional board experience at L'Oreal, where he was President of its companies in Malaysia and Taiwan. He served on the boards of the European Chamber of Commerce in Taipei from 2006 to 2009 and Taipei American School from 2011 to 2014.

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

Directorship in other public or listed companies

PETRONAS Dagangan Berhad

Directors' Profiles

UTHAYA KUMAR A/L K VIVEKANANDA

Independent Non-Executive Director

68	Date of Appointment as Director of Maxis: 30 March 2022
Male	Tenure as Director: 11 months
Malaysian	

Board Committees:

Audit and Risk Committee (Chairman)
Nomination Committee (Member)
and Government and Regulatory
Affairs Committee (Member)

Qualifications

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

Number of Board Meetings attended during the year

7/7



OUI HUEY TYNG

Independent Non-Executive Director

56	Date of Appointment as Director of Maxis: 30 March 2022
Female	Tenure as Director: 11 months
Singaporean	

Board Committees:

Audit and Risk Committee (Member),
Remuneration Committee (Member)
and Transformation Committee
(Member)

Qualifications

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

Number of Board Meetings attended during the year

6/7



Working Experience/Occupation

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

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

Directorship in other public or listed companies

Bumi Armada Berhad

Working Experience/Occupation

Ooi Huey Tyng is currently an Independent Director and a member of the Risk Management and Audit Committee of AIG Asia Pacific Board, an Independent Director of Pacific Century Group, Bridgetown 3 SPAC and a 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. Prior to that, she held senior leadership roles in UOB, DBS and Citibank.

Directorship in other public or listed companies

Nil

Directors' Profiles

MAZEN AHMED M. ALJUBEIR

Non-Executive Director

46	Date of Appointment as Director of Maxis: 8 September 2016
Male	Tenure as Director: 6 years
Saudi Arabian	

Board Committees:Nomination Committee (Member),
Remuneration Committee (Member)**Qualifications**

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

Number of Board Meetings attended during the year

8/8

**MOHAMMED ABDULLAH K. ALHARBI**

Non-Executive Director

52	Date of Appointment as Director of Maxis: 29 May 2015
Male	Tenure as Director: 7 years
Saudi Arabian	

Board Committees:

Audit and Risk Committee (Member)

Qualifications

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

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

Number of Board Meetings attended during the year

7/8

**Working Experience/Occupation**

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

Directorship in other public or listed companies

Maxis Communications Berhad

Working Experience/Occupation

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

He has led the process of identifying synergies and developing synergy realisation programmes, implementing greenfield operations and major acquisitions of STC.

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

Directorship in other public or listed companies

Maxis Communications Berhad

Directors' Profiles

ABDULAZIZ ABDULLAH M. ALGHAMDI

Non-Executive Director

40	Date of Appointment as Director of Maxis: 4 September 2018
Male	Tenure as Director: 4 years
Saudi Arabian	

Board Committees:

Transformation Committee (Member),
Share Issuance Committee (Member)

Qualifications

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

Number of Board Meetings attended during the year

7/8



LIM GHEE KEONG

Non-Executive Director

55	Date of Appointment as Director of Maxis: 8 May 2014
Male	Tenure as Director: 8 years
Malaysian	

Board Committees:

Remuneration Committee (Member),
Transformation Committee (Member),
Government and Regulatory Affairs
Committee (Member), Share
Issuance Committee
(Member)

Qualifications

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

Number of Board Meetings attended during the year

8/8



Working Experience/Occupation

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

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

Directorship in other public or listed companies

Maxis Communications Berhad

Working Experience/Occupation

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

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

Directorship in other public or listed companies

Astro Malaysia Holdings Berhad

Notes:

- None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
- None of the Directors have any conflict of interests with the Company.
- None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
- None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2022.
- Alvin Michael Hew Thai Kheam, Dato' Hamidah Naziadin and Lim Ghee Keong (retiring Directors) are standing for re-election as Directors at the forthcoming Fourteenth Annual General Meeting of the Company. The Nomination Committee and Board of Directors have considered the assessment of the three retiring Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR. Additional details about the independent evaluation of the three retiring Directors are set out in the Corporate Governance Overview and Notice of the Fourteenth Annual General Meeting.

Maxis Management Team

GOH SEOW ENG

Chief Executive Officer

59 | Date of Appointment:
1 December 2022

Male

Malaysian



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

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

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

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

JENNIFER WONG

Chief Financial Officer

52 | Date of Appointment:
3 October 2022

Female

Malaysian



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

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

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

Maxis Management Team

MARIAM BEVI BINTI BATCHA

Chief Corporate Affairs Officer

59	Date of Appointment: 1 May 2019
Female	
Malaysian	



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

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

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

NATALIA NAVIN

Chief Human Resource Officer

43	Date of Appointment: 2 September 2019
Female	
Malaysian	



Natalia is responsible for leading the people agenda at Maxis.

She started her career with Zaid Ibrahim & Co (ZICO Law), and later worked with the United Nations, CIMB, Hewlett Packard (HP) and Micro Focus.

She has held regional and global HR leadership roles, as well as leading large scale HR programmes relating to merger & divestiture deals, as well as labour relations negotiations. She has enabled multiple transformational people and talent programmes and played a key role in navigating the pandemic by leading key people-related initiatives at Maxis. She also spearheaded the strategic refresh of Maxis' organisational values and culture.

She graduated from Staffordshire University in the UK with a Bachelor of Law (LLB) and was admitted as an advocate and solicitor of the High Court of Malaya in 2004.

NG MAY CHING

Chief Information Officer

51	Date of Appointment: 1 December 2020
Female	
Malaysian	



May Ching is responsible for digitalisation and IT in Maxis. Since joining Maxis in 2013, she has driven the IT and Digital Maxis strategic roadmap and key digital transformation and delivery programs, established Digital and Data & AI Centers of Excellences as well as managed cybersecurity and operations. She has led the transformation and digitalisation of customer experience through cloud at Maxis and has established Maxis as a leader in cloud, data and AI, digital and platform solutions on top of Malaysia's leading converged network.

Prior to joining Maxis, she was a Managing Director in Accenture's Communications, Media and Technology regional practice with 19 years' experience in technology delivery, IT transformation and, business and IT solutions consulting for communications providers.

She graduated from Monash University in Melbourne, Australia, with First Class Honours Bachelor's degree in Electrical and Computer Systems Engineering.

Maxis Management Team

ABDUL KARIM FAKIR BIN ALI

Chief Network Officer

52	Date of Appointment: 1 December 2020
Male	
Malaysian	



Karim leads network engineers in Maxis to build and operate Mobile, Fixed and Enterprise solutions with pivotal focus on quality leadership and unmatched customer experience.

He rejoined Maxis in January 2014 from Bangkok where he held Senior Vice President position in DTAC, Thailand. He has over 28 years of experience in network strategy framework, organisation transformation, project steering, quality management, industrial relation, and technology operations.

He started his telecommunication career with Binariang (later known as Maxis) in 1994 where he pioneered, planned, and built the 2G network. He joined Digi Telecommunications (Digi) in 2002 and progressed in various senior roles with the last positions being Deputy Chief Technical Officer and Celcom-DiGi Programme Director sites infrastructure consolidation in 2011.

He graduated with an Electrical Engineering degree and was the recipient of University Malaya Rulers Education Award 1994 and Tunku Abdul Rahman Medal 1995. He has been appointed as an Independent Member of the Board of Trustees of Yayasan AmanahRaya with effect from August 2022.

PATRICK ER

Chief Sales & Service Officer

48	Date of Appointment: 1 June 2021
Male	
Malaysian	



Patrick heads the Sales & Services division where he is responsible for sales and distribution, customer experience and service, supply chain, and credit and collections.

He joined Maxis in June 2016 as Head of Commercial Management and Customer Experience and was eventually appointed as Chief of Sales & Service on 1 June 2021.

Prior to Maxis, he held senior positions in Hong Leong Bank. He led the micro and small SME segments business and was responsible for the bank's distribution strategy. Before Hong Leong Bank, he was with Digi where he managed consumer sales and customer service across all retail and branded channel stores.

He holds a Bachelor of Science in Mechanical Engineering from Michigan Technology University and a Master's in Business Administration from University of Newcastle.

LOH KEH JIAT

Chief Marketing Officer

52	Date of Appointment: 16 August 2021
Male	
Malaysian	



Loh leads the Consumer Business division and strives towards achieving Maxis' ambition to be the leading converged solutions company in Malaysia.

He joined Maxis as the Chief Marketing Officer (CMO) in August 2021. Prior to Maxis, he worked with Digi, where he held various senior positions within the Sales and Marketing Division for 12 years. Before Digi, he was with PT Mobile-8 Tbk Indonesia and PricewaterhouseCoopers Malaysia.

He has over 20 years of experience in the telecommunications industry with a proven track record in building prepaid and postpaid businesses for the consumer segment. He has also led major transformation programmes in digitalising customer journeys and modernisation of sales and distribution in recent years.

He received his undergraduate degree from Monash University and is a Chartered Accountant in Malaysia.

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

1. The MMTs comprise the persons defined as key senior management under Para 4A, Appendix 9C MMLR, that is persons who are primarily responsible for the business operations of the Maxis Group's core business and principal subsidiaries.
2. None of the MMT have any directorship in public companies and listed issuers.
3. None of the MMT have any family relationships with any directors and/or major shareholders of the Company.
4. None of the MMT have any conflict of interest with the Company.
5. None of the MMT have any convictions for offences within the past five years (other than traffic offences, if any).
6. None of the MMT have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2022.

Chairman's Statement



Together with the industry, Maxis continued to support the Government's important initiatives like *Jalinan Digital Negara (JENDELA)*, with a focus on providing wider and higher-quality internet connectivity for the *rakyat*.

Tan Sri Mokhzani Bin Mahathir
Chairman

Dear Stakeholders,

The Malaysian operating environment remained challenging in 2022 as the nation transitioned to the endemic phase of the COVID-19 pandemic. The reopening of the Malaysian economy saw the resumption of trading and social activities and encouragingly, grew beyond the earlier projection of between 6.5% and 7.0% due to the resurgence of domestic demand as well as manufacturing and exports. However, the country is still experiencing growing inflationary pressures, labour and supply shortages, and continuing geopolitical tensions.

Meanwhile, the formation of the unity government towards the end of 2022 has been lauded by economists with the expectation of a more stable political scenario. The unity government's national agenda aims to restructure and restore the domestic economy, with one of the key focus areas being SME growth. We remain committed to playing a key role in bringing more digitalisation to this important segment. Today's digital reality demands competitiveness from all countries, and Malaysia has set the stage for digitalisation on a national scale.

As the country's leading converged solutions provider, Maxis is committed to supporting the Government's agenda in developing Malaysia into a regional leader in the digital economy. In fact, we are already enabling all our customers

with multiple solutions that power their digital lifestyles. We are helping digitalise thousands of businesses to build resilience and are connecting communities in preparation for the digital future. Together with the industry, Maxis continued to support the Government's important initiatives like *Jalinan Digital Negara (JENDELA)*, with a focus on providing wider and higher-quality internet connectivity for the *rakyat*.

Maxis is committed to bringing 5G to the nation, in line with the Government's digital ambitions, and will continue to support the nation's aspirations in strengthening its competitiveness in the region. We look forward to commercially launching 5G-related products and services as part of our suite of offerings.

As a whole, Maxis delivered a solid performance during the financial year under review, which underlines our agility in a challenging operating environment as well as our stability in building the foundation for further growth. Our focus will always be on our customers and ensuring that we continue to improve and provide the best experience through our industry-leading network, digital solutions and services.

A big part of our commitment to investing in Malaysia is supporting communities – from students, women and SMEs to entrepreneurs and B40 communities. This is driven by our passion for education for many years, a key pillar of our

Chairman's Statement

Total Dividend

20
sen per share

Total Payout

RM
1.57 billion

community outreach initiatives. For instance, we continue to provide Malaysian students with digital learning tools and content through eKelas, our flagship community programme that aims to improve the academic performance of students in rural communities through exciting digital content. For small businesses, we are driving greater digital adoption through eKelas Usahawan, our structured digital marketing programme for local micro-SMEs and women entrepreneurs. We are also investing in the next generation of women, STEM, leadership and innovation talents for the country through financial support, internships and job opportunities.

Internally, Maxis continues to create long-term value for all its stakeholders. In further strengthening these efforts, we launched our Sustainability Strategy as a declaration to build a more sustainable future through deep commitments to Environmental, Social and Governance practices. We are also actively strengthening our corporate governance throughout the company, and proactively addressing regulatory reforms and new industry developments, as well as our sustainability governance. These efforts have been integrated with our corporate strategy to ensure that they are part and parcel of all our value creation activities.

Our customers should always be confident that they have the most reliable and secured connectivity. To this end and considering the large network that we operate and the millions of customers we support, Maxis continues to invest in end-to-end cybersecurity measures to ensure the resilience and integrity of our network infrastructure and support systems. This is supported by the strong collaborative relationship with our regulators to ensure compliance with the latest privacy and data protection regulations. We also focus on continuous development of our talent pool to create a culture that has high awareness of data protection and security in general.



Credit goes to the leadership of Maxis – the Board and Management – whose agility, strategic mindset and decisive action helped us navigate the uncertainties of the operating environment while creating consistent shareholder value and returns. The Board has declared a total dividend of 20 sen per share with a total payout of RM1.57 billion for 2022.

Our substantial investments over the years have resulted in a strong, converged network in the country that connects people in All-Ways and the widest range of digital solutions and capabilities. We are confident that we will remain a catalyst in building a better-connected Malaysia.

OUTLOOK

Growth of the Malaysian economy is expected to be moderate in 2023. While domestic demand is expected to remain robust during the year, slowing global growth due to macroeconomic conditions and supply chain disruptions will weigh in on the domestic economy. Nevertheless, we remain cautiously optimistic of our prospects in the coming year, supported by greater political stability and increasing consumer demand for digital convergence. We will continue to provide value accretive services and solutions for both our consumer and enterprise customers.

I would like to take this opportunity to acknowledge the efforts and contributions of the Board, Management, employees, and all other stakeholders for Maxis' success in 2022. On behalf of the Board, I would like to express my sincere thanks to our outgoing CEO, Gokhan Ogut, for his exemplary service to Maxis over the last three and a half years. The CEO transition is part and parcel of our continued journey, with Gokhan leading us through much of the challenging pandemic environment and positioning ourselves strongly for the future.

To this end, I would like to extend a very warm welcome to Goh Seow Eng, who was appointed Maxis CEO effective 1 December 2022. We look forward to working with him as we prepare ourselves for the next phase of our growth journey.

TAN SRI MOKHZANI BIN MAHATHIR

CEO's Statement



It is my resolute belief that successful homegrown companies like Maxis and a skilled and talented workforce that are fully committed to Malaysia are the bedrock of our nation's development and prosperity.

Goh Seow Eng
Chief Executive Officer

I am truly honoured to have joined Maxis after working in the telecommunications industry in Singapore and Thailand for the past 12 years. I am pleased to be back home in Malaysia, to share in our nation's discourse and to play a role in its development. Most of all, I am excited to lead Maxis, a homegrown company, and its staff of dedicated and talented people.

As Maxis' Malaysian CEO, I am steadfast in my resolution to lead and grow Maxis sustainably and predictably for the long term. To ensure Maxis' long-term competitive advantage, I am firmly committed to recruiting and developing Malaysian talent as well as to attract those Malaysian talent who are working abroad to return home. It is my resolute belief that successful homegrown companies like Maxis and a skilled and talented workforce that are fully committed to Malaysia are the bedrock of our nation's development and prosperity.

ACCELERATION TOWARDS A SUSTAINABLE FUTURE

2022 saw many changes to our operating environment brought about by the transition to the endemic phase of the COVID-19 pandemic, rising prices and change in government. Despite these changes, Maxis remained focused on our growth strategy and delivered on our All-Ways Connected™ proposition.

Maxis is on a journey to be the leading converged solutions provider in Malaysia. This comes at an opportune time, as shifts in consumer behaviour have increased the importance of constant connectivity. At the end of 2022, our mobile customers used an average of 26.6 GB per month, a 77% increase in mobile data usage since 2019. Substantial growth in video-related usage, web browsing, gaming, and instant messaging have made 24/7 high-speed connectivity more important than ever.

We are committed to fulfilling the connectivity needs of Malaysians and supporting the Government's *Jalinan Digital Negara* (JENDELA) programme to improve network coverage across the country. We achieved our JENDELA targets for 2022, with 157 new and 1,847 upgraded mobile sites, and passed more than 7 million premises with our fibre and fixed wireless broadband access services. We are now aiming to complete the next phase of base station upgrades and construction of new mobile network towers to further our reach to underserved communities.

We are committed to driving sustainable business growth. Our operations continue to be highly efficient and effective in achieving our strategic objectives, and we are actively fostering strong collaborations with our business partners to expand our range of converged offerings.

[+](#) Read more on pages 20 to 22.

Our Strategy

Maxis delivered strong business performance on the back of our growth strategy, which is to drive the convergence of mobile and fixed, leveraging our fibre propositions to provide customers with seamless connectivity. The trend towards fibre connectivity has continued to gain momentum, as reflected in the continuous increase in fibre connections.

Leveraging our position as a Technology Solutions Provider for the Government's SME Digitalisation Grant, we helped more than 25,000 SMEs in their digital transformation journeys.

We also intensified our investment in 2022 with over RM1.1 billion invested in our industry-leading network and digital transformation. This enables us to meet the growing bandwidth demands of an increasingly digital environment.

[+](#) Read more on pages 32 to 33.

CEO's Statement

Business Performance

Despite a challenging operating environment, we achieved growth across our two core segments of Consumer and Enterprise. Service revenue for the year grew 4.0% to RM8,336 million, driven by growth in our mobile and fibre businesses. This resulted in an EBITDA of RM3,938 million for FY2022, with all segments contributing more than in the previous financial year.

Our Consumer Business saw growth in all areas—in the Postpaid, Prepaid and Home connectivity segments. Our well-executed Maxis and Hotlink dual-brand strategy, along with our range of converged services, enabled us to meet the needs of different customer segments. Some key Consumer Business highlights include:

- Postpaid subscribers increased by 6.5% year-on-year to over 3.3 million.
- The prepaid segment remained resilient with a base of more than 5.7 million subscribers, while we increased ARPU on the back of more personalised offers.
- The home connectivity (fibre, wireless and home broadband) segment continued to deliver annual double-digit growth, growing 13.2% from 2021 to 669k connections.

Meanwhile, our core Enterprise Business revenue grew 8.8% year-on-year. This reflects our successful drive towards meeting the increased digitalisation needs across businesses, and we are optimistic about the potential for continued growth in this segment.

[+](#) Read more on pages 17 to 19.

OUR VALUE CREATION OUTCOMES

Our Operations

Maxis continues to prioritise investments in our operating capabilities to better serve our customers, improve network coverage and quality, and increase operating efficiencies for the long term.

5G Ready

Maxis has long been ready to launch our 5G services, and we are excited to bring the best of 5G connectivity and converged solutions to the nation soon.

In preparation for the rollout, we have been optimising our ecosystem to take full advantage of 5G connectivity. We continue to develop multi-industry 5G use cases with major players for commercial use through our growing 5G Alliance. We have also expanded our 5G international roaming services to more countries and rolled out a range of 5G devices to our customers.

Customer First

One notable achievement is our high customer satisfaction and engagement, represented by our improved touchpoint net promoter score (TP-NPS) at +66 points and a 6% year-on-year growth in Digital Care adoption. We enhanced customer care through the expansion of our online and retail touchpoints and established the Maxis Business Innovation Centre (MBIC) to serve our enterprise customers.

Digitalisation

Maxis has taken significant steps to invest in IT systems and digitalised our internal processes. The launch of the Maxis Digital Citizen programme has further supported this objective, instilling a digital-first mindset among our employees and customers.

Governance

During the year, we strengthened our internal business and governance practices, including standardising our cybersecurity operations across our business divisions. We continued to implement the Maxis Anti-Bribery and Corruption (MABC) system across all business operations, in line with our zero-tolerance policy to bribery and corruption. In November 2022, Maxis was awarded multiple ISO 37001:2016 Anti-Bribery Management System certifications from SIRIM QAS International and IQNet.

Culture and Talent

We provided over 130,000 hours of training to support the growth and development of our employees in essential areas such as Leadership, Business, Technology, and Compliance. We also fostered internal advancement by conducting structured and regular performance and career development reviews. Integrated talent development programmes were rolled out for employees in critical roles and high-potential individuals, alongside various upskilling opportunities available to all employees.

[+](#) Read more on pages 37 to 62.

FUTURE OUTLOOK

Over the long-term, the telecommunications industry will continue to be a key contributor to building a digital Malaysia. At Maxis, we are fully committed to playing our part in advancing our country's digitalisation journey.

Despite the ongoing changes and industry consolidation, we are confident of our ability to thrive amid the evolving landscape. We remain agile and focused on delivering sustainable business growth by leveraging on our strengths in mobile, converged services, network and brand.

As we strive towards long-term profitability, we will continue to reshape our operating model and cost structure. We will also double down on our digitalisation agenda, which includes accelerating digital customer self-service and transitioning all business IT applications and infrastructure to the cloud.

Maxis has been built upon the strength of its people. We remain a proud, homegrown brand that has been serving the nation and communities around us for over 27 years. With our focused strategy, robust execution plan and engaged talent pool, we are confident in our ability to lead the industry and navigate any challenges that come our way.

As we embark on the next chapter of our journey in 2023, we look forward to continue delivering exceptional customer experiences, driving innovation and building a more connected and sustainable Malaysia.

GOH SEOW ENG

Five-Year Financial Highlights

	2022	2021	2020	2019	2018 ⁽⁶⁾	2022-2021 YoY Change
FINANCIAL RESULTS						
Financial Indicators (RM'm)						
Revenue ⁽¹⁾	9,789	9,241	9,034	9,355	9,213	5.9%
Service revenue ^{(1) (2)}	8,336	8,018	7,903	7,920	8,178	4.0%
EBITDA ^{(1) (3)}	3,938	3,876	3,827	3,933	3,819	1.6%
Profit Before Tax (PBT)	1,811	1,762	1,852	2,027	2,369	2.8%
Profit After Tax (PAT)	1,181	1,308	1,382	1,512	1,780	-9.7%
Profit attributable to equity holders of the Company	1,182	1,308	1,382	1,512	1,780	-9.6%
Financial Ratios						
EBITDA margin (%) ⁽¹⁾	40.2%	41.9%	42.4%	42.0%	41.5%	
EBITDA margin on service revenue (%) ⁽¹⁾	47.2%	48.3%	48.4%	49.7%	46.7%	
PBT margin (%)	18.5%	19.1%	20.5%	21.7%	25.7%	
PAT margin (%)	12.1%	14.2%	15.3%	16.2%	19.3%	
PAT margin on service revenue (%) ⁽¹⁾	14.2%	16.3%	17.5%	19.1%	21.8%	
Interest cover ratio ⁽¹⁾	5.1	4.7	4.8	4.8	7.0	
Earnings per share (sen)						
- basic	15.1	16.7	17.7	19.3	22.8	
- fully diluted	15.1	16.7	17.7	19.3	22.7	
Dividends per share (sen) ⁽⁴⁾	20.0	17.0	17.0	20.0	20.0	
FINANCIAL POSITIONS						
Financial Indicators (RM'm)						
Equity attributable to equity holders of the Company	6,369	6,725	6,715	6,666	6,814	
Total assets	23,045	22,443	21,932	22,323	19,805	
Total borrowings ⁽⁵⁾	9,865	10,098	9,780	9,930	7,639	
Financial Ratios						
Return on invested capital (%) ⁽¹⁾	9.3%	10.6%	11.0%	12.6%	14.9%	
Return on average equity (%)	18.0%	19.5%	20.7%	22.4%	26.5%	
Return on average assets (%)	6.5%	7.5%	7.9%	9.1%	10.7%	
Gearing ratio	1.45	1.32	1.35	1.40	1.04	
Net assets per share attributable to equity holders of the Company (RM)	0.81	0.86	0.86	0.85	0.87	

Notes:

⁽¹⁾ The comparative results were restated due to interest revenue reclassification.

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

⁽³⁾ Defined as profit before finance income, finance costs, tax, depreciation, amortisation and allowance for write down of identified network costs.

⁽⁴⁾ Dividends per share consist of interim dividends declared and proposed in respect of the designated financial years.

⁽⁵⁾ Include derivative financial instruments designated for hedging relationship on borrowings.

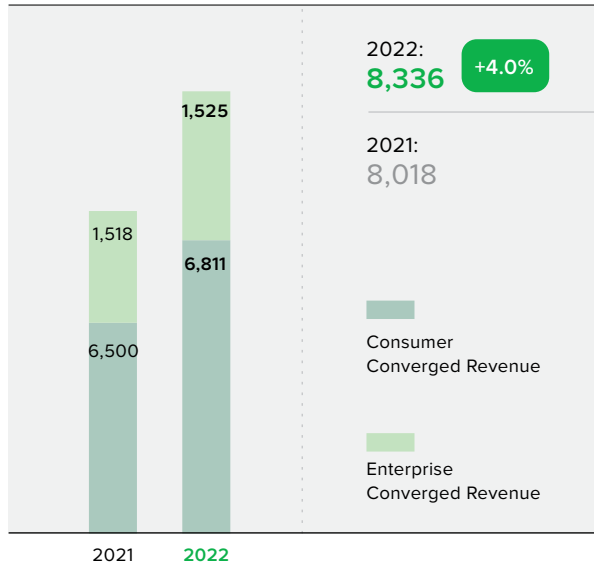
⁽⁶⁾ 2018 financial information is pre-MFRS 16 "Leases".

Management Discussion & Analysis

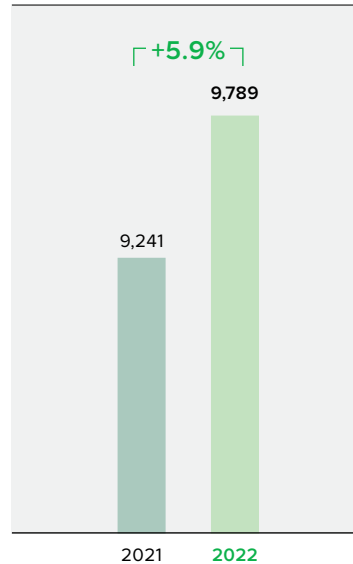
We delivered earnings in line with our guidance, grew our top-line revenues and made investments for future growth.

FINANCIAL REVIEW

Service Revenue (RM'm)



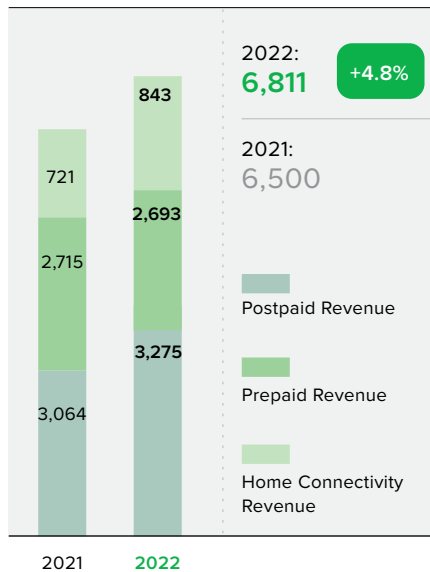
Revenue (RM'm)



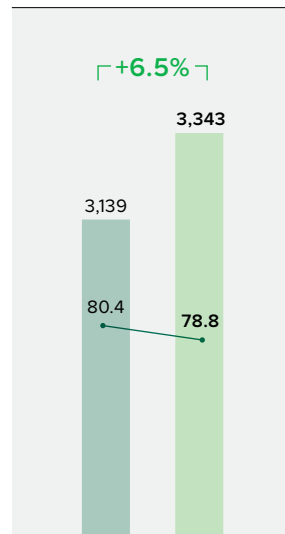
We grew total revenue by 5.9% and service revenue by 4.0% in 2022. Both our Consumer and Enterprise businesses grew, leveraging on the strong brand presence of our two brands, Maxis and Hotlink, which enabled us to expand our reach to all individuals, families, and businesses.

Within Maxis, we also attracted higher subscriptions from device-bundled plans, increasing device revenue by 18.8% to above RM1.4 billion in 2022.

Consumer Converged Revenue (RM'm)



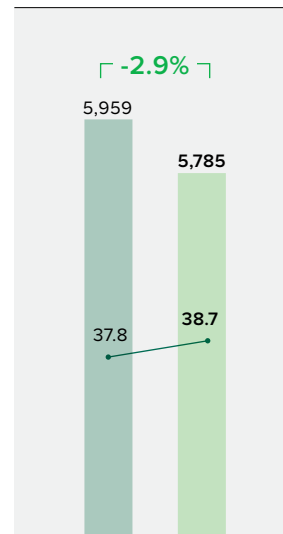
Consumer Postpaid



2021
Consumer Postpaid subscribers ('000)

Postpaid ARPU (RM)

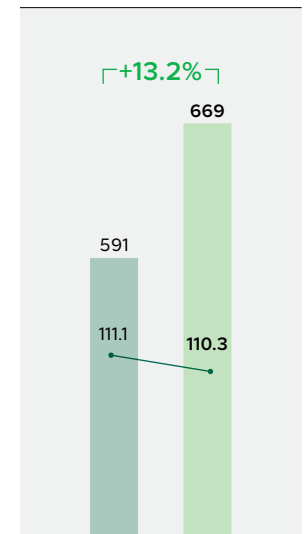
Consumer Prepaid



2021
Consumer Prepaid Subscribers ('000)

Prepaid ARPU (RM)

Home Connectivity



2021
Consumer Home Connectivity Connections ('000)

Home Blended (Fibre and WBB) ARPU (RM)

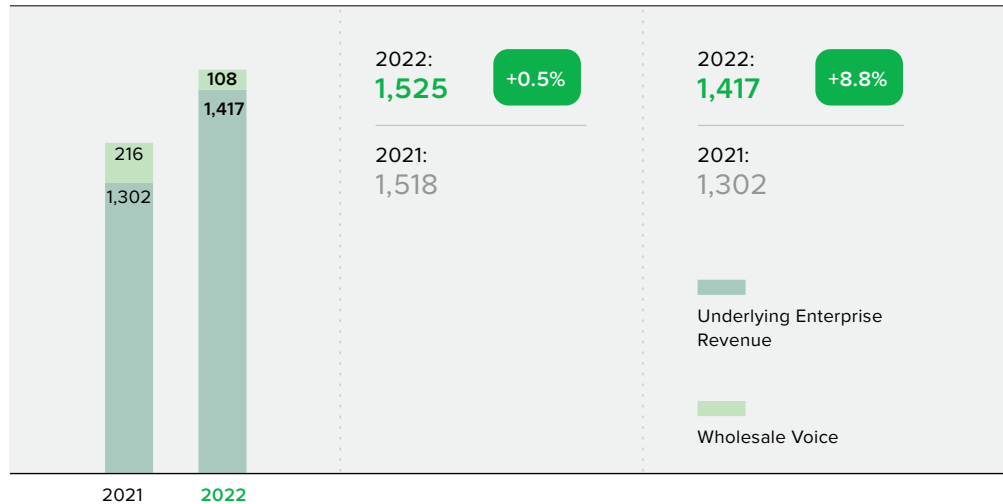
The higher subscriptions in Postpaid and Home Connectivity were driven by our converged propositions that offers unlimited internet to customers who subscribe our mobile and fibre services.

Hotlink meets the needs for affordable Postpaid and Prepaid services. Though this resulted in a slight dilution of the

Consumer Postpaid ARPU, the expanded appeal contributed to the increase in mobile subscribers and an overall higher Postpaid revenue year-on-year. In the Prepaid business, we deepened our understanding of our customers using data and technology, and were able to make personalised HotlinkMU promotions, improving overall Prepaid ARPU.

Management Discussion & Analysis

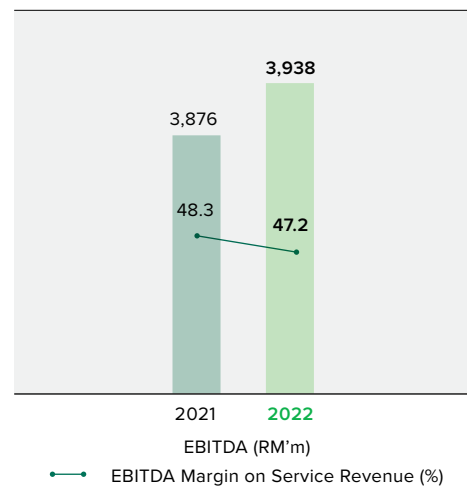
Enterprise Connectivity (RM'm)



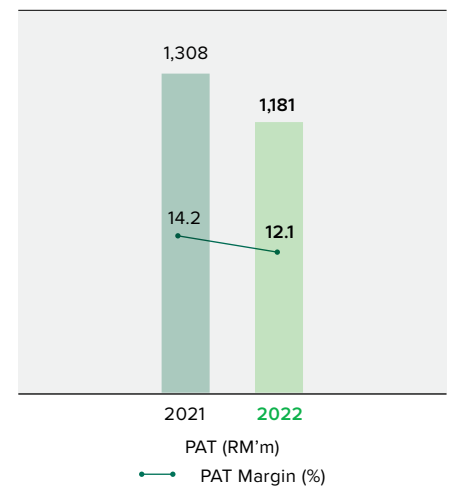
In Enterprise business, we made a conscious shift to focus on higher margin products and services. Though overall Enterprise revenue was relatively flat at 0.5% growth year-on-year, underlying Enterprise revenue grew 8.8% on the back of enhanced in-house ICT solution capabilities.

Supported by the strong revenue growth, EBITDA grew to above RM3.9 billion levels in 2022. EBITDA margin was slightly lower due to higher device costs incurred following the higher subscription of device-bundled Postpaid packages, and the allowance of doubtful debts returning to pre-pandemic levels. Profit After Tax in 2022 was impacted by the one-off increase in corporate tax rate to 33% on chargeable income that exceeded RM100 million for YA2022 (Prosperity Tax).

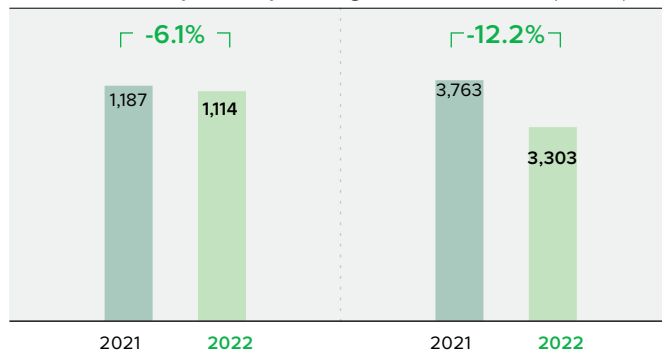
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)



Profit After Tax (PAT)



Commercial Capex & Operating Free Cash Flow (RM'm)



Capex for the year decreased 6.1% to RM1,114 million. In addition to the Commercial Capex, we also invested RM466 million in Universal Service Provision (USP) funded Capex, which is in line with the nation's ambition to provide high quality and affordable digital connectivity for all.

Net Debt to EBITDA

	2021	2022
Debt (RM'm)	10,098	9,865
Deposits, cash and bank balances (RM'm)	1,191	628
Net debt (RM'm)	8,907	9,237
Net Debt to EBITDA	2.30x	2.35x

Operating Free Cash Flow (OFCF) were lower in 2022 due to the payments for Prosperity Tax and variations in cash payment profile for capex spend and government grants received. While lower year-on-year, we maintained a strong focus on working capital management to ensure our cash flows are optimal.

Management Discussion & Analysis

INVESTOR RELATIONS

Creating Long-Term Shareholder Value

Maxis is committed to creating long-term value for its shareholders and has been providing consistent cash returns through the declaration of dividends. In 2022, Maxis rewarded its shareholders with RM1.57 billion cash dividends comprising of four interim dividends each of 5.0 sen per share. The total dividend payout of 20 sen per share represents a dividend yield of 5.2% based on the closing share price of RM3.84 as at 30 December 2022. The proposed dividend payout is aligned with our dividend policy and policy of active capital management.

Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced here for reference: "The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial condition, the Company's distributable reserves and other factors considered relevant by the Board.

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

As the Company is a holding company, its income, and therefore its ability to pay dividends, is dependent upon the dividends and other distributions that it receives from its subsidiaries. The payment of dividends or other distributions by the Company's subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and other factors that their respective board of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for the Company's subsidiaries may limit their ability to declare or pay cash dividends."

The reported profit after tax payout ratios in the financial years 2019, 2020, 2021 and 2022 were 103.6%, 96.0%, 101.8% and 132.6% respectively.

COMMUNICATING WITH OUR SHAREHOLDERS

Maxis remains committed to maintaining the highest standards of corporate disclosures and transparency. Our disclosure policy is based on these three key principles:

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

We actively communicate with our shareholders

We maintain active dialogues with our shareholders throughout the year, through a planned investor relations programme that includes corporate days and investment conferences which, in 2022, were held virtually. In addition, we respond to ad hoc meeting requests and queries from shareholders as well as the investment community. Our investor-focused programmes are further supplemented by a dedicated Investor Relations website, a key resource for corporate information, financial data, stock exchange announcements, quarterly results, annual reports, upcoming investor events, shares and dividend information, and investor presentation slides. Our Investor Relations website is available at <https://maxis.listedcompany.com/home.html>.

We meet regularly with major institutional investors via virtual investor meetings as we adapt to the new normal. We also hold regular sessions with financial analysts to discuss business performance and strategies. These meetings are typically hosted by the Head of Investor Relations and attended by the appropriate mix of senior management, including our Chief Executive Officer and Chief Financial Officer.

We believe in the constructive use of our Annual General Meetings (AGM) and other general meetings. These meetings are attended by our Board of Directors and the management team. A comprehensive review of the Company's performance is shared and any shareholder present can query the Board and management team at these meetings. Our external auditors are also present to answer any questions on the auditing, preparation and content of the independent auditors' report.

Our stakeholders, especially institutional investors, place great emphasis on how we manage our Environmental, Social and Governance (ESG) matters and create value from our operations. Being cognisant of this, we have embarked on a value creation journey to fully integrate our annual report in accordance to the IIRC Framework to form a holistic view of our strategy and growth plans as well as manage key risks and opportunities in order to build and reassure confidence and improve our future performance. Also, we have been listed on the FTSE4Good Bursa Malaysia Index since 2015. Valued by our shareholders and other stakeholders for benchmarking our corporate responsibility practices, we intend to maintain our good standing in this index in the future.

Feedback and Enquiries

We welcome feedback on our Investor Relations initiatives and other information we have provided herewith. Queries about and requests for publicly available information, comments and suggestions to the Company can be directed to ir@maxis.com.my. We look forward to continuously and effectively engaging with our shareholders.

Acceleration Towards A Sustainable Future

The pandemic has accelerated the adoption of digital technologies and transformed the way people interact with them. 5G technology, artificial intelligence, virtual reality, cloud computing, and various online platforms have made digitalisation more accessible and cost-effective for companies. As the global economy continued to recover in 2022, we remain committed to driving sustainable business growth as the nation's leading converged solutions provider.

Economic Landscape

Industry Megatrends

- The Malaysian economy grew by 8.7% in 2022 underpinned by improvements in the labour market and income conditions.
- Bank Negara Malaysia (BNM) predicted that economic growth will moderate between 4.0% to 5.0% in 2023, in line with the IMF's global forecast.
- The Twelfth Malaysia Plan (12MP) focuses on developing the digital economy to contribute 25.5% of GDP by 2025.
- There is growing emphasis on sustainability across all sectors, reflected by the acceptance of ESG investing.

Impact to Maxis

- Maxis is aligned with the 12MP as the leading converged solutions provider offering a holistic digital experience.
- Increased demand for Maxis' converged services, as businesses seek productivity, marketing and business solutions, while consumers want more data and faster internet speeds at home and on the go.
- We continuously integrate sustainability into all aspects of our business to unlock long-term value.

Our Strategic Response

- Maxis introduced more mobile and home broadband plans to cater to the unique connectivity needs of our customers.
- We leveraged on the Government's SME Digitalisation Grant to support SMEs on their digital transformation journey.
- We introduced our long-term Sustainability Strategy, which is dedicated to bringing positive impact to people, the nation and planet.

2023 Outlook

- Maxis remains cautiously optimistic for the coming year despite economic headwinds, as there is increasing demand for digital convergence among consumers and enterprises.
- Increased travel mobility around the world is expected to boost demand for mobile connectivity and international roaming.
- Companies are expected to prioritise sustainable business growth by investing in sustainable technology, promoting circularity, and creating more sustainable value chains.

Digital Inclusion

Industry Megatrends

- There is a growing dependence on connectivity and digital solutions for work, daily necessities, and education, even in secondary and rural areas.
- The JENDELA initiative is committed to expanding the coverage and improving the quality of broadband services, particularly for underserved segments.

Impact to Maxis

- This presents a growth opportunity for Maxis to expand its market reach and increase its customer base.
- The increasingly digital lifestyles of consumers will be a strong driver of Maxis' core mobile and home connectivity businesses.

Our Strategic Response

- Maxis offers converged offerings and plan bundles with value-added services for both work and leisure.
- We continue to invest in mobile and fixed infrastructure to improve coverage and quality of service.
- Our eKelas programme utilises technology to provide access to digital learning content and engagement activities for underprivileged students.

2023 Outlook

- The industry will continue to bridge the digital divide between urban and rural areas by offering affordable and accessible connectivity services.
- Digital inclusion will foster growth in the digital economy by increasing participation in the digital marketplace.
- Continued collaboration with the Government and stakeholders to provide inclusive and quality education, especially for underserved communities.

Acceleration Towards A Sustainable Future

Technology Trends

Industry Megatrends

- 5G Networks: 5th generation of mobile networks, expected to deliver faster speeds, lower latency and higher network capacity.
- Artificial Intelligence (AI) and Machine Learning (ML): Expected to play a critical role to improve network performance, reduce downtime and automate customer service.
- Internet of Things (IoT): A network of interconnected devices with real-time data exchange, and enables the deployment of smart cities, smart homes and other applications.
- Cloud computing: Allows network operators to provide services such as Software-Defined Networking (SDN) and Network Function Virtualisation (NFV).

Impact to Maxis

- Increasing investment in line with the Fourth Industrial Revolution (4IR) will drive the development of innovative enterprise IoT solutions.
- Data-hungry solutions demand greater network bandwidth and monitoring.
- Enterprises' adoption of cloud technology highlights the need for low latency, high bandwidth connectivity.

Our Strategic Response

- Maxis has been developing our AI Network, built on the latest SDN technology.
- We work closely with our 5G alliance partners to commercialise 5G and IoT across industries.
- We partner with an ecosystem of platforms and vendors to provide tailored solutions to our customers.

2023 Outlook

- Maxis will continue to increase business agility by pursuing the addition of modern digital IT capabilities, automation, AI and analytics as well as new platforms on the cloud.
- We strengthen strategic partnerships through innovation in delivering value-added offerings and expertise to businesses.
- We are differentiating ourselves through advanced analytics and machine learning in enhancing our customers' experiences.

Cybersecurity

Industry Megatrends

- The World Economic Forum's 2023 Global Cybersecurity Outlook indicates that cybersecurity attacks to focus on business disruption and reputation damage; third-party/supply chain risks to rise; skilled resource retention will be a challenge; a security-focused culture and metrics needed for cyber risk management.
- Adoption of 5G, AI/ML, IoT, and cloud computing to bring new security challenges.
- Governments and regulators to enforce tighter privacy laws and cybersecurity regulations.

Impact to Maxis

- Cyberattacks on Maxis can cause financial losses, loss of customer trust, and damage to our brand.
- An attack on our key partners or vendors can compromise Maxis systems, cause data loss and business disruption.
- Skilled resources are crucial for Maxis to identify, protect, detect, respond to, and recover from cyberattacks.
- Maxis would need to comply with increased regulatory and compliance requirements.

Our Strategic Response

- Maxis addresses cybersecurity risks through investment in cybersecurity measures, third-party vendor assessment, talent pipeline, and creation of a security-focused culture with metrics.
- We continuously build capabilities across people, process, and technology, with a focus on 5G networks, cloud, IoT, and digital infrastructure.
- We experiment with AI and ML to detect and respond to cyberattacks in real-time.

2023 Outlook

- Maxis continues to invest in technology to ensure cyber resiliency, focusing on data protection, cloud, Application Programming Interfaces (APIs), IoT, and 5G.
- We are implementing a risk management programme to assess the cybersecurity posture of selected vendors and suppliers.
- We participate in forums organised by regulators and agencies to provide input on privacy and cybersecurity regulations.
- We provide cybersecurity training to employees, and partners with vendors and academic institutions to develop training programmes.

Acceleration Towards A Sustainable Future

Flexible Working

Industry Megatrends

- Hybrid working is becoming a permanent feature of the modern working environment.
- The Malaysian Government announced an amendment to the Employment Act 1955, introducing flexible working arrangements for employees.

Impact to Maxis

- We are required to review our existing policies to introduce relevant flexibilities in our way of working.

Our Strategic Response

- Maxis has adopted flexible working arrangements that prioritise both employee well-being and productivity.

2023 Outlook

- Maxis has implemented multiple elements of flexible working arrangements as we transition back to the office.
- We will continue to review the relevance of our ways of working to promote employee well-being and promote a healthy work-life balance.

Climate Action

Industry Megatrends

- 12MP aims to reduce greenhouse gas (GHG) emissions intensity to GDP by 45% by 2030 with economic support for green businesses.
- Bursa Malaysia requires listed issuers to include TCFD-aligned disclosures in Sustainability Statements.
- Bursa Malaysia launched the BCX, a voluntary carbon market for trading carbon credits from GHG reduction projects.
- Malaysia targets 17% renewable energy in primary energy supply under the 2022-2040 National Energy Policy.
- COP27 in Egypt urged 43% GHG emissions reduction by 2030 relative to 2019 to limit global warming to 1.5 °C.

Impact to Maxis

- Maxis is expected to enhance transparency around carbon footprint associated with its premises and network operations.
- Maxis to enhance understanding of the potential impact of climate change on its operations, including the extent of network disruptions and additional operational costs associated with adapting to extreme weather events.

Our Strategic Response

- Maxis has undertaken initiatives to understand its emissions, set reduction targets, implement strategic measures to reduce emissions, and disclose sustainability indicators as required by regulations.
- We have a crisis management team and comprehensive response plan in place to effectively manage the impact of extreme weather events on its operations.
- We prepare for TCFD-aligned disclosures and other reporting requirements to reinforce our commitment to climate action and resilience.

2023 Outlook

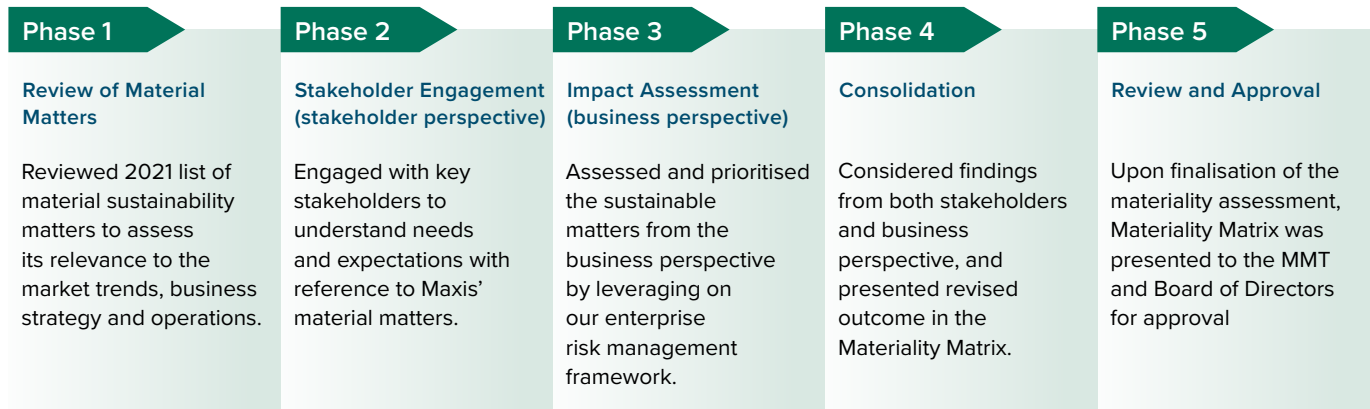
- Maxis aims to adopt circularity within the organisation by establishing a system that reduces waste and promotes sustainable resource usage.
- We will enhance our sustainable business practices as sustainability becomes a fundamental aspect of business operations and regulatory requirements.

Our Top Material Matters & Materiality Assessment

OUR MATERIALITY ASSESSMENT*



At Maxis, we operate our business with the interest of our stakeholders, society, and the environment in mind. In 2021, we undertook an in-depth materiality assessment to prioritise our sustainability matters based on our business and stakeholder expectations, guided by our enterprise risk management framework. In the year under review, we conducted an internal review on our material matters in accordance with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Toolkits to ensure that they remain relevant to Maxis' operating environment and strategic priorities. As an outcome of the review, all our 15 material matters remain relevant.

* Read more about the process of our in-depth materiality assessment from page 53 of the Maxis Integrated Annual Report 2021.









OUR KEY RELATIONSHIPS

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

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
Board of Directors 	<ul style="list-style-type: none"> Internal / External meetings General Meetings (AGM and EGM) Board effectiveness evaluation Group events / activities <p>Frequency: Annually, quarterly, monthly, weekly, daily</p>	<ul style="list-style-type: none"> ESG roadmap and goals Operational excellence and technological improvements Product innovation for sustainability Remediation solutions for impact of climate change Reporting on sustainability performance 	<ul style="list-style-type: none"> Develop long-term Sustainability Strategy Provide innovative technological solutions and products Regular engagement with directors and management of the Group regarding progress in sustainability
Employees 	<ul style="list-style-type: none"> Internal / External meetings Conferences / Forums/ Seminars Company events / activities Site visits / Audits Company intranet / newsletter Internal surveys and feedbacks AGM / EGM <p>Frequency: Daily</p>	<ul style="list-style-type: none"> Product innovation Portfolio expansion of CSR initiatives Job opportunities for the underprivileged community Circular economy Diversity and inclusion 	<ul style="list-style-type: none"> Continuous engagement with employees to enhance welfare Community engagement to digitalise local entrepreneurs Continuous engagement in CSR activities and volunteering programmes Implement effective e-waste management practices Conduct Unconscious Bias workshops for managers Embed focus in inclusion and diversity within every job description

Our Top Material Matters & Materiality Assessment

Stakeholder Groups	Engagement Channel and Frequency	Expectations	Maxis' Response
Suppliers 	<ul style="list-style-type: none"> Company website (including annual reports / financial reports) Internal / External meetings External surveys and feedbacks (i.e. customer survey, customer complaint channel) <p>Frequency: Daily</p>	<ul style="list-style-type: none"> IoT in specific sectors, e.g. healthcare and security Energy efficient solutions Consumer engagement on e-waste management Customer engagement Anti-bribery and anti-corruption 	<ul style="list-style-type: none"> Launch the Maxis 5G Alliance programme and continuously collaborate with partners Achieve targeted Net Promoter Score Conduct ABAC training for suppliers
Customers (Enterprise) 	<ul style="list-style-type: none"> Internal / External meetings Conferences / Forums/ Seminars Company events / activities Site visits / audits External surveys and feedbacks (i.e. customer survey, customer complaint channel) <p>Frequency: Quarterly, monthly, weekly, daily</p>	<ul style="list-style-type: none"> Infrastructure, efficiency, coverage, penetration, and affordability of products/ services Widespread digital adoption Job opportunities for graduates Business opportunities for SMEs Decarbonisation of operations 	<ul style="list-style-type: none"> Improve coverage and provide quality broadband experience Optimise our ecosystem to take advantage of 5G connectivity Leverage on SME Digitalisation Grant and enhance workshops such as eKelas Usahawan Enhance green initiatives in operations
Lenders/ Financiers 	<ul style="list-style-type: none"> Company website (including annual reports / financial reports) Internal / External meetings AGM / EGM Analyst briefings <p>Frequency: Quarterly, monthly</p>	<ul style="list-style-type: none"> Carbon management Digital inclusion Anti-bribery and anti-corruption Online safety for children Environmental management 	<ul style="list-style-type: none"> Conduct extensive GHG, water and waste inventory exercise from 2022 to 2024 Conduct ABAC training for employees Strengthen governance policies, standards and frameworks on ABAC Conduct supply chain monitoring on vendor integrity Initiatives to improve operational efficiency
Government/ Regulatory 	<ul style="list-style-type: none"> Conferences / Forums / Seminars Company events / activities <p>Frequency: Annually, quarterly, monthly</p>	<ul style="list-style-type: none"> Accessible and inclusive products and connectivity Sustainable business model for the underserved population E-waste and green technology application for the telecommunication ecosystem Net zero GHG emissions 	<ul style="list-style-type: none"> Conduct extensive GHG, water and waste inventory exercise from 2022 to 2024 Expand and enhance network infrastructure Offer innovative and affordable products and services Enhance green initiatives in operations
Media 	<ul style="list-style-type: none"> Company website (including annual reports / financial reports) Company events/ activities <p>Frequency: Monthly, weekly</p>	<ul style="list-style-type: none"> Digitalisation Product / services affordability E-waste management Anti-corruption Online safety for children 	<ul style="list-style-type: none"> Maximise, reuse or refurbish decommissioned network equipment Introduce new device ownership model which improves product affordability Conduct Maxis Business Digital Readiness Index survey to benchmark organisations on their digitalisation journeys
Shareholders/ Investors/ Analysts 	<ul style="list-style-type: none"> Company website (including annual reports/ financial reports) Analyst briefings AGM / EGM <p>Frequency: Quarterly</p>	<ul style="list-style-type: none"> Product accessibility and affordability Digital inclusion Carbon footprint of supply chain Supplier diversity Network quality 	<ul style="list-style-type: none"> Offer innovative and affordable products and services Optimise cost savings through digitisation of processes Engage foreign suppliers for niche services while prioritising local suppliers

Our Top Material Matters & Materiality Assessment

OUR MATERIAL MATTERS

A total of 15 material matters were assessed with 8 of the matters identified as high priority.

VERY HIGH IMPORTANCE

<p>Network Quality & Coverage Continuously being at the forefront of technological innovation to enhance key internal business functions for improvement of process efficiency and effectiveness, promoting innovation and business continuity.</p>	<p>Regulatory Compliance Compliance with local and cross-borders regulatory requirements and internal company policies in maintaining Maxis' business integrity and performance, and managing impacts of new regulatory changes in the areas in which we operate.</p>
<p>Data Privacy & Protection Our measures in managing stakeholders' data privacy and protection.</p>	<p>Digital Inclusion & Innovation Provision of affordable and innovative products and service offerings to address environmental, social and governance (ESG) related issues, in bridging the digital gap in support of national priorities in the markets in which we operate.</p>
<p>Customer Experience & Satisfaction Delivering quality customer experience through our products and services, including ongoing engagement, to better understand and meet customer expectations.</p>	<p>Sustainable Business Growth Taking into account ESG considerations in making strategic investments / acquisitions / expansion / partnerships to ensure our competitive edge and business sustainability while creating greater positive direct and indirect economic impacts to the communities where we operate.</p>
<p>Ethical Business Practice The way we govern and conduct our business, in full compliance with relevant laws and regulations, and our commitment to being transparent to our stakeholders.</p>	<p>Crisis Management & Response Well-prepared for crisis with a rapid and adequate response plan, this includes providing for society in times of emergency and disaster through the contribution of our business streams to disaster response initiatives.</p>

HIGH IMPORTANCE

<p>Occupational Health & Safety The anticipation, recognition, evaluation and control of hazards arising in/ from the workplace that could impair the health and well-being of employees.</p>	<p>Equal Opportunity Workforce & Employment Fostering fair recruitment practices by embracing diversity and inclusion in a diverse workforce, while maintaining a safe and healthy working environment across our operations.</p>
<p>Climate Change Internal controls and monitoring mechanisms to mitigate climate change risks and develop a climate agenda for Maxis. This includes energy consumption management and climate change considerations when developing products and solutions.</p>	<p>Supply Chain Management Consideration of ESG factors (e.g. human rights and environmental management) across processes involved in supply chain management (i.e. reduction of dependencies, managing vendor-related risks and performance).</p>
<p>Employee Development Investing in effective programmes to promote employee development and competency enhancement to respond to the rapidly changing and complex business environment.</p>	

IMPORTANT

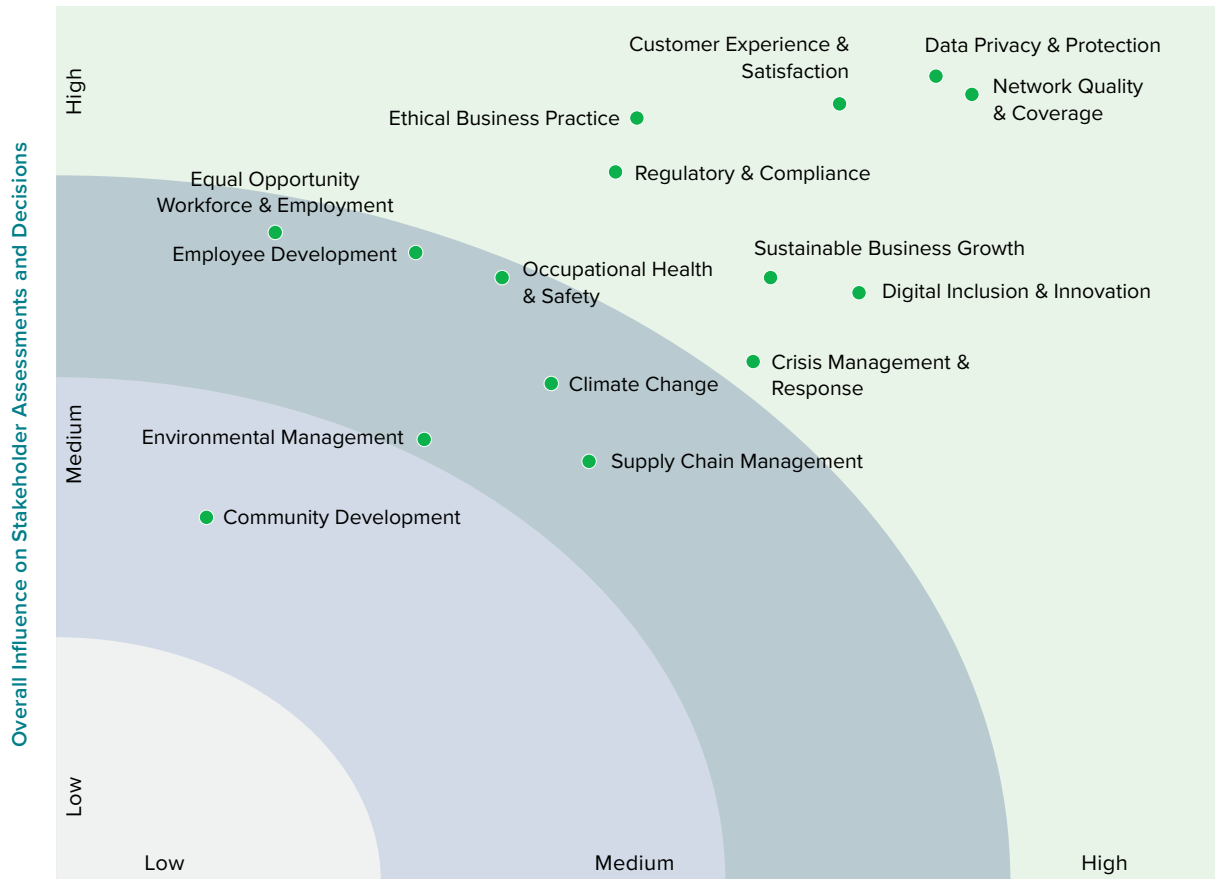
<p>Environmental Management Internal controls and monitoring mechanisms to manage climate change and environmental impacts (e.g. energy consumption, waste management) arising from our business operations, and subsequently reducing their environmental impacts.</p>	<p>Community Development Monetary and non-monetary contributions to local communities/ underprivileged/ underserved groups (e.g. focusing on education, disaster relief aid, improving welfare of local citizens).</p>
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Our Top Material Matters & Materiality Assessment

MATERIALITY MATRIX

The Materiality Matrix presents an overview on the outcome of the materiality assessment review, incorporating inputs from both stakeholders and business perspective on significant material matters related to economic, environmental, social and governance.

Materiality Matrix



Significance of Maxis' Economic, Environmental and Social Impacts

The Materiality Matrix presents an overview on the outcome of the internal materiality assessment review. Based on our review, all 15 material matters remain relevant to our business operations and stakeholders. However, we identified the impacts of a few material matters have increased due to the changes in our operating environment.

1. **Sustainable Business Growth:** With the roll out of 5G networks and market consolidation, Maxis sees the importance to remain competitive in the market. Our newly launched Sustainability Strategy outlines our strategy to maintain competitive advantage and commercial performance while remaining committed to bringing about positive impact to the nation.
2. **Network Quality & Coverage:** Providing connectivity for all through network coverage and service quality remains our business priority. Maxis remains committed to enhancing our mobile and fibre services to ensure that our network delivers the best experience for our customers.
3. **Crisis Management & Response:** With increased occurrence of natural disasters, Maxis is committed to ensuring minimal interruptions in our connectivity.
4. **Climate Change:** With increased requirements by regulatory bodies on climate reporting, and the urgency to address issues on climate change, Maxis recognises the need to increase our efforts in combating climate change, in line with Malaysia's aspiration towards net zero.

With this in mind, we will put in place more initiatives to address the identified risks arising from these material matters.

Risks and Opportunities

KEY BUSINESS RISKS AND OPPORTUNITIES

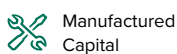
Maxis continues to be affected by a variety of risks stemming from internal and external events, such as our 5G implementation, mergers between our competitors, spectrum allocation and the disruption in the global supply chain. To help us in identifying and assessing the relevant ESG risks, we are currently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

Legend:

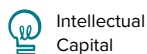
CCAO Chief Corporate Affairs Officer	CHRO Chief Human Resource Officer	CNO Chief Network Officer
CEBO Chief Enterprise Business Officer	CIO Chief Information Officer	CSSO Chief Sales & Service Officer
CEO Chief Executive Officer	CMO Chief Marketing Officer	CTSO Chief Technology Strategy Officer
CFO Chief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



Financial
Capital



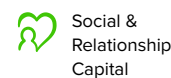
Manufactured
Capital



Intellectual
Capital



Human
Capital



Social &
Relationship
Capital



Natural
Capital

New Business Risk

Impact on Business

- Competitive operating landscape and growing stakeholder demands for product and service offerings beyond our core service.
- These new growth areas exposes us to liabilities if corresponding risks are not adequately identified and managed.

Mitigation Actions for Value Creation

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

Opportunities

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

- Key Risk Indicators:**
- Progress in transforming people, process and technology to meet demand of new businesses
 - Negative cashflow trend

Risk Owners:



Capitals Affected:



Material Matters

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

Competition Risk

Impact on Business

- The increased competition arising from mergers between market players could create an uneven playing field.
- Intensifying market competition could lead to players providing overlapping services to cater to the demand for connectivity.
- Venturing into new growth opportunities in fixed broadband and enterprise business has widened our competitive landscape.

Mitigation Actions for Value Creation

- Intensified efforts to gain market share and maintain leadership in converged solutions in both the Consumer and Enterprise segments.
- Leveraging industry-leading LTE network and fibre connectivity to be Malaysia's leading converged solutions company.
- Drove efficiencies and innovation via new technologies, products and services, processes and business models to provide customers with an Unmatched Personalised Experience.

Opportunities

- Focus revenue from innovative services and effective strategies on key segments.
- Diversify revenue from non-traditional business segments, such as fixed broadband and enterprise business.
- Improve organisational agility and operational efficiency.

- Key Risk Indicators:**
- Service Revenue Share
 - Net Promoter Score
 - Customer acquisition/ contract renewal

Risk Owners:



Capitals Affected:



Material Matters

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

Risks and Opportunities

Operation Risk

Impact on Business

- Failing to provide Unmatched Personalised Experiences to our customers and at the same time deliver growth and optimise costs could impact our reputation and strategy.
- Implementing complex platform solutions and infrastructure could impact operation processes.
- The dependencies of many projects with local regulatory requirements may affect delivery timelines.

Mitigation Actions for Value Creation

- Accelerated digital channels to provide digital care and self-service capabilities.
- Worked with the authorities to implement new network infrastructure builds.
- Continued to identify new talent with the skills and capabilities to deliver new solutions and services.
- The Project Management Office integrated change management by identifying, evaluating and managing changes throughout the lifecycles of key projects.
- Held continuous collaboration and integration between various internal stakeholders to ensure minimal operation disruption of Maxis' products and services.

Opportunities

- Business stability and continuity.
- Innovative products and services.
- Increasing agility and market competition.

- Key Risk Indicators:**
- Net Promoter Score
 - Number of non-billing complaints
 - Progress of implementation of new core systems or projects

Risk Owners:



Capitals Affected:



Material Matters

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

Network Failure Risk

Impact on Business

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

Mitigation Actions for Value Creation

- Prevented disruptions by continuously enhancing and reviewing our networks' resilience and processes including incidents and/or crises.
- Established a structured ESG framework covering climate change, social responsibility, etc., which is implemented throughout the business.
- Ensured the presence of business continuity plans and insurance policies.
- Worked closely with regulatory and government bodies, together with contractors, to ensure network resiliency and effective infrastructure build up.
- Ensured the presence of business continuity plans and insurance policies.

Opportunities

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

- Key Risk Indicators:**
- Net Promoter Score
 - BCP's progress vs target levels
 - External party scoring indicator
 - Service delivery
 - Network performance

Risk Owners:



Capitals Affected:



Material Matters

- Network Quality & Coverage
- Customer Experience & Satisfaction
- Regulatory Compliance
- Crisis Management & Response

Risks and Opportunities

Pandemic Risk (COVID-19)

Impact on Business

- The pandemic continues to impact our employees, operations, suppliers and customers despite having stabilised in the country.
- The resulting economic downturn followed by a gradual recovery, combined with the knock-on effects of rising bad debts, subdued spending and loss of employment could further dampen our business.

Mitigation Actions for Value Creation

- Prioritised people first in our management of the pandemic, with the health of our employees and customers being our top concern. Various health and safety measures were implemented.
- Stabilised our operations by deploying measures to strengthen network capabilities, holding constant dialogues with our critical suppliers to secure sufficient inventory, accelerating digital adoption for customer service.
- Focused our efforts on recovery and business reconfiguration to secure our revenue stream.

Opportunities

- Leveraging on the significant boost in digital activity.
- Optimising our network by identifying traffic hotspots related to the increase in hybrid working arrangements.
- Re-strategising products and service offerings.

Risk Owners:

CFO CEBO CTSO CSSO
CMO CCAO CHRO

Capitals Affected:



Material Matters:

- Network Quality & Coverage
- Customer Experience & Satisfaction
- Regulatory Compliance
- Sustainable Business Growth
- Crisis Management & Response
- Occupational Health & Safety
- Employee Development
- Supply Chain Management
- Community Development

- Key Risk Indicators:**
- Number of COVID-19 cases worldwide, regionally and locally
 - Government's Movement Control Order(s)

Technology Risk

Impact on Business

- Failure to advance with evolving technological and digital capabilities to maintain our leading edge in technology and innovation.
- New technologies implemented without a clear development and transition programme, could affect the adoption rate, subsequently hindering the technologies' returns on investment (ROI).

Mitigation Actions for Value Creation

- Continuous investment on our systems with new capabilities to deliver innovative and relevant services to our customers.
- Ensured that technologies prove their maturity, sustainability and scalability roadmap within the commercial environment.

Opportunities

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

Risk Owners:

CTSO CIO

Capitals Affected:



Material Matters

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

- Key Risk Indicators:**
- Delay in meeting key milestone on new technology implementation.
 - Technology related customer complaints.
 - Adoption rate, user engagement index, performance and scalability.

Data Privacy and Protection Risk

Impact on Business

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

Mitigation Actions for Value Creation

- Established a data privacy and protection governance framework in governing the policies, procedures, technologies and tools in managing customers' data privacy, which includes escalation and incident responses.
- Fostering awareness of data privacy and protection among Maxis' stakeholders.
- Attestation activities conducted to identify the privacy data throughout the organisation.

Opportunities

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

Risk Owners:

CIO CTSO CFO

Capitals Affected:



Material Matters

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

- Key Risk Indicators:**
- Implementation progress on data-related programmes
 - Number of data breaches

Risks and Opportunities

Vendor / Supply Chain Risk

Impact on Business

- A critical failure on vendor's delivery and its supply chain (which includes critical telecommunication equipment and resources), contributed by many aspects, may lead to system and network interruptions that could adversely impact our operational and service quality.
- Possibility of exposing the Group to potential ESG risks within the supply chain.

Mitigation Actions for Value Creation

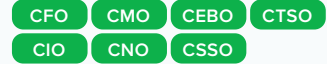
- Periodic vendor performance evaluation, a key part of supply chain risk management.
- Optimised processes and technology tools in our Source to Contract framework.
- Maintained constant dialogue with critical suppliers.

Opportunities

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

Key Risk Indicators: • Delivery timeliness of goods and services

Risk Owners:



Capitals Affected:



Material Matters

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

Information Technology Risk

Impact on Business

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

Mitigation Actions for Value Creation

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

Opportunities

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

Key Risk Indicators: • Percentage of Maxis' critical systems not covered by Maxis' protection system
• Percentage of security incidences exceeded Service Level Agreements (SLAs)
• Completion rate of Cybersecurity Awareness Training

Risk Owners:



Capitals Affected:



Material Matters

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

Economic Risk

Impact on Business

- Macroeconomic uncertainties may impact local economic growth and affect consumers' purchasing power as well as corporate spending.
- Softening global economic growth and trade activities due to inflationary pressure, tightening of financial conditions, supply strains and geopolitical tension are directly and indirectly affecting the supply and demand equilibrium, and by extension, our business.

Mitigation Actions for Value Creation

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

Opportunities

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

Key Risk Indicators: • Consumer Confidence Index
• Domestic consumption
• Household spending

Risk Owners:



Capitals Affected:



Material Matters

- Sustainable Business Growth
- Crisis Management & Response
- Supply Chain Management

Risks and Opportunities

People Risk

Impact on Business

- Recruiting, developing and training the best talents needed for our new business segments remain a challenge.
- Specialised skills needed to drive digital transformation strategies are becoming increasingly scarce due to intense competition for talent.
- Failure to safeguard the health, safety and well-being of our employees and the public, especially in light of infectious diseases.

Mitigation Actions for Value Creation

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

Opportunities

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

- Key Risk Indicators:**
- Voice of Maxis (VOM) Score / Employee Engagement Index (EEI)
 - Vacant time for critical roles
 - COVID-19 cases among employees
 - Employee of Choice Survey
 - Attrition rate

Risk Owners:

CHRO

Capitals Affected:



Material Matters

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

Regulatory Risk

Impact on Business

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

Mitigation Actions for Value Creation

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

Opportunities

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

- Key Risk Indicators:**
- Fines and compounds imposed by regulators
 - Amount of spectrum to be awarded

Risk Owners:

CCAO

CFO

CTSO

Capitals Affected:



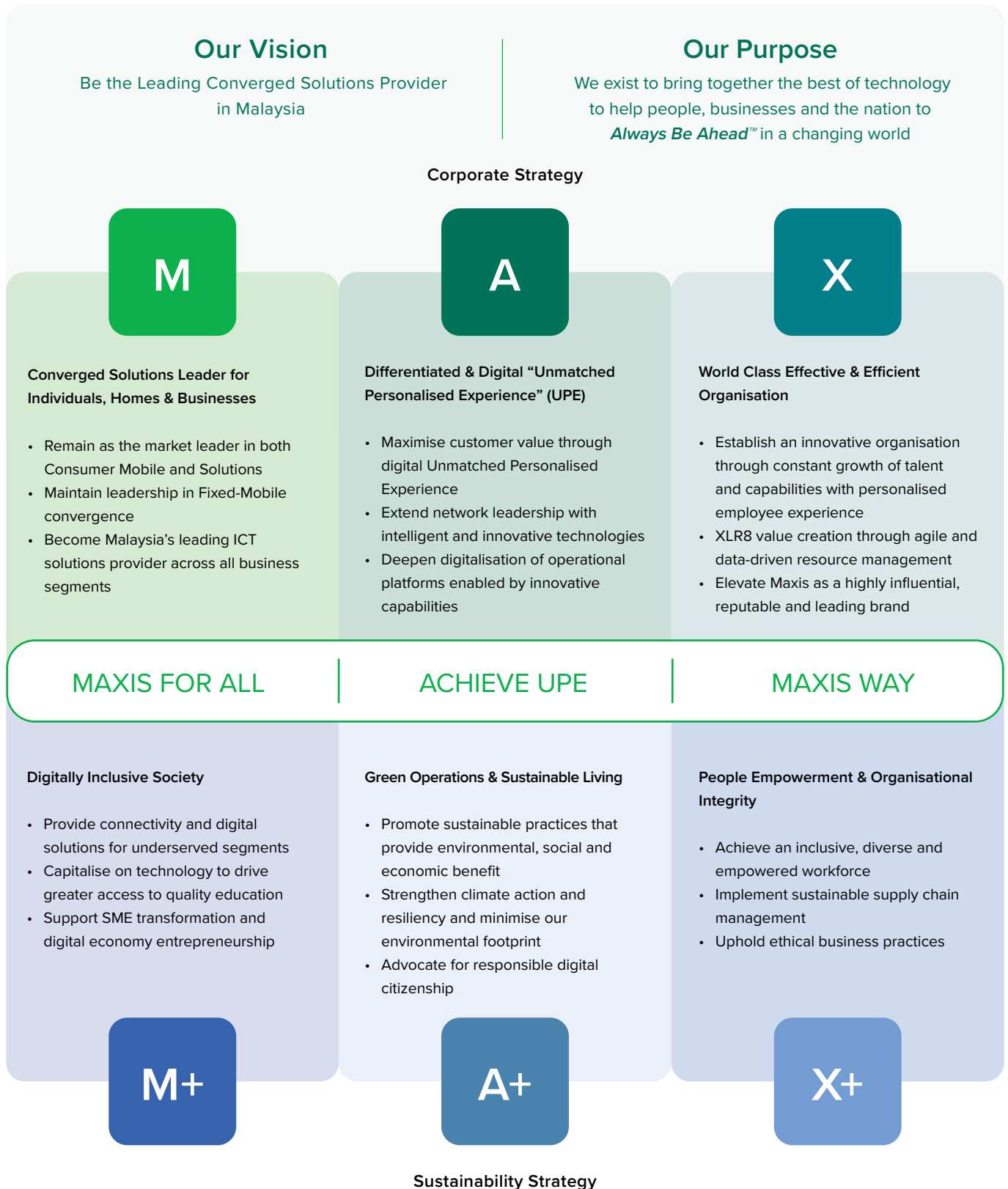
Material Matters

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

Our MAX & MAX+ Plan

During the year under review, Maxis continued to embark on the MAX Plan – our long-term Corporate Strategy that articulates our commitment as Malaysia’s Leading Converged Solutions Provider. We also introduced the MAX+ Plan, our Sustainability Strategy which is an amplification of the MAX Plan.

MAX and MAX+ have been designed to be a dual mirror image of each other, to deliver on the Vision and Purpose that we have chosen for ourselves. MAX represents how we maintain our competitive advantage and commercial performance, while MAX+ focuses on the impact that Maxis creates on the *rakyat*, the nation, and the planet.



Our MAX & MAX+ Plan

The chart below presents our 2022's performance in realising our strategy and short-term priorities for 2023.

MAXIS FOR ALL

M

Performance in 2022

- Expanded mobile and fibre coverage in underserved areas, supporting JENDELA.
- Successful prepaid-to-postpaid upgrades led to Postpaid segment growth.
- Formed Maxis 5G Alliance and collaborated with partners for new solutions.
- Partnered with the Government and other stakeholders to provide access to high-quality e-learning.
- Invested in Edutech to promote innovation within the education ecosystem.
- Venture building in retail analytics start-up for retail innovation.
- Leveraged on national programmes to scale SME digital transformations.
- Connected SMEs with Maxis' business community through learning forums.

M+

Priorities in 2023

- Strategic approach to position Maxis retail offerings beyond connectivity.
- Expand Segment of One (SO1) for tailor-made offerings to customers.
- Expand mobile and fibre coverage to support JENDELA.
- Develop curated Enterprise solutions for business segments.
- Expand eKelas programme for national presence in education.
- Offer affordable Maxis and Hotlink products/ services to underserved segments.

ACHIEVE UPE

A

Performance in 2022

- Expanded presence in digital and electronics retail space via Shop-in-Shop Partnerships.
- Increased presence in e-commerce and e-wallet platforms for wider digital customer access.
- Expanded retail presence through Shop-in-Shop Partnerships and increased digital customer access.
- Simplified product purchases with online-to-offline transactions and improved credit accessibility.
- Expanded 4G network and maintained mobile network leadership.
- Implemented sustainability measures, including off-grid solar energy systems and network equipment reuse.
- Focused on digital upskilling of employees and strengthened cyber defense and monitoring.

A+

Priorities in 2023

- Support customers on their digital transformation and convergence journeys, building mutually beneficial relationships of trust.
- Expand distribution and maintain network leadership with smart investments and intelligent technologies.
- Focus on agile methodologies, cloud infrastructure, and in-house digital capabilities.
- Reduce carbon emissions and improve environmental monitoring and management.
- Scale Intelligent Operations Modernisation with Zero Touch operations, service management, and IT modernisation.

MAXIS WAY

X

Performance in 2022

- Adopted a holistic learning and development approach to drive career growth and retention.
- Invested in the next generation of leaders, women, STEM and young talents.
- Protected employee health and safety with OSHE capacity building.
- Executed cost optimisation programmes with optimised capital structure.
- Conducted charitable efforts during festivities, disaster relief, and for B40 communities.
- Fostered a culture of zero-tolerance for bribery and corruption.
- Maintained integrity and governance with continuous internal control improvements.

X+

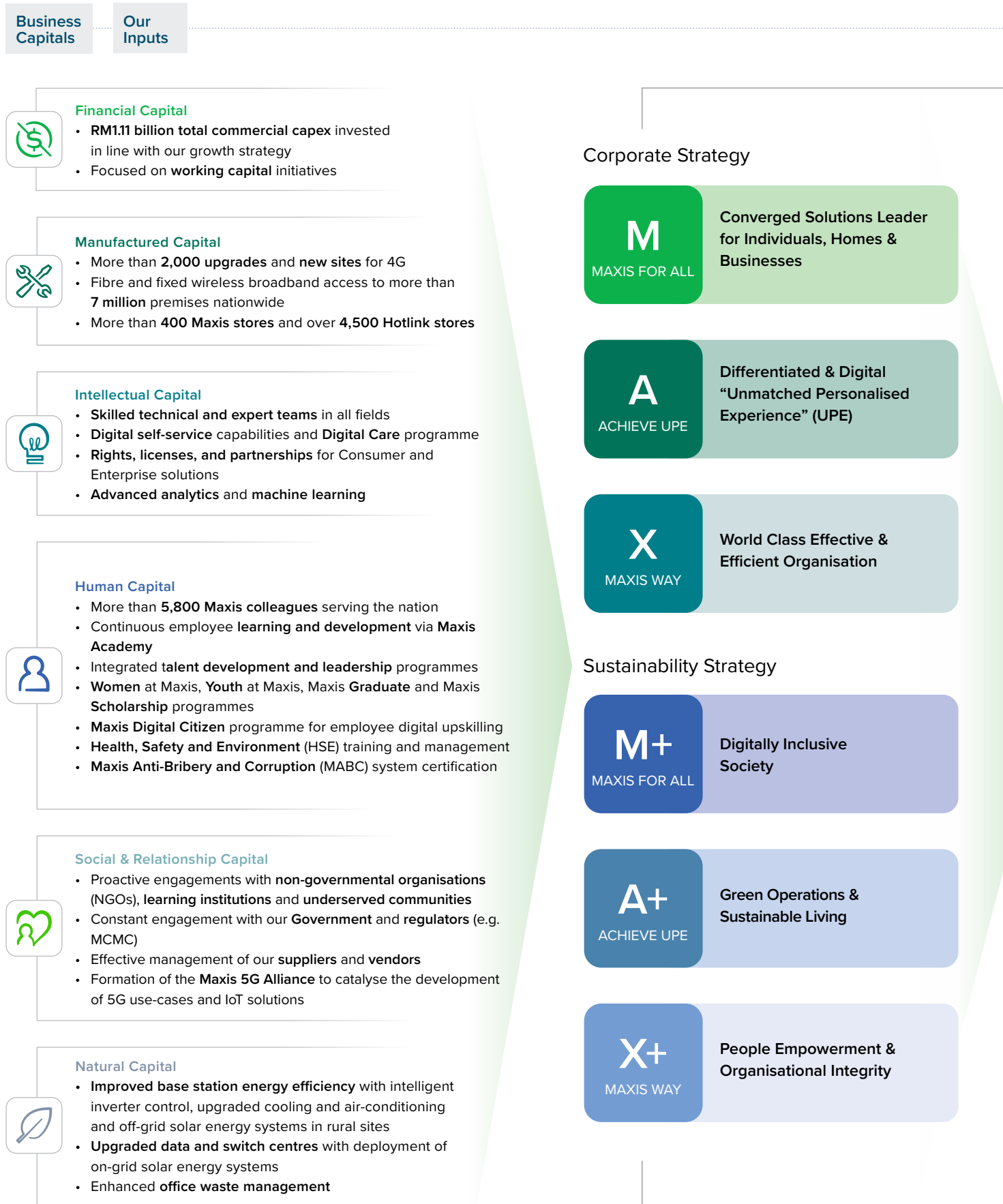
Priorities in 2023

- Develop an engaged and healthy workplace culture that embraces new ways of working.
- Enhance inclusivity and accessibility with a focus on employee well-being and performance.
- Expand the Maxis Digital Citizen programme with personalised learning for targeted upskilling.
- Leverage digital procurement tech for efficiency and support the local supplier ecosystem.
- Manage costs and cash flows through a rigorous cost management programme.
- Promote good governance and ethical business practices while maintaining reputation.

Value Creation Model

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

UTILISING OUR BUSINESS CAPITALS



Value Creation Model

CREATING SUSTAINABLE VALUE FOR OUR BUSINESS AND STAKEHOLDERS

Our Outputs

Our Value Creation Outcomes

Key UN SDGs contributed



- 4.0% increase in **Service Revenue to RM8.3 billion**
- 1.6% increase in **EBITDA to RM3.9 billion**
- **Dividends** increased to **20 sen** per share



- >**3.3 million Postpaid** subscribers
- >**5.7 million Prepaid** subscribers
- >**750k home and business connections** (fibre, wireless & home broadband)
- **95%** 4G LTE population coverage
- **95.4%** of mobile speed >3 Mbps
- **74%** of **voice traffic** conducted over Voice over LTE (VoLTE) service



- Strong **NPS** of **+66**
- **6%** YoY growth in **Digital Care** adoption
- **2.5x** YoY increase in **Digital Sales**
- **2%** YoY increase in **Digital Recontracting**



- **44%** female representation in Maxis
- **Voice of Maxis** employee engagement score of **83%**
- >**130,000 hours** of employee **blended training** conducted
- >**190 sessions** conducted on health and safety
- Offered **19 Maxis scholarships** and **20 Graduate** positions
- Awarded with multiple **ISO 37001:2016 Anti-Bribery Management System** certifications
- **100%** completion of Maxis **Code of Business Practice (MCOBP)** training



- Leveraged the SME Digitalisation Grant to support >**25,000 SMEs** as of 2022
- Supported >**73,000 students** and >**1,700 entrepreneurs** through eKelas and eKelas Usahawan respectively
- Supported vulnerable communities through **humanitarian relief efforts** and **festive charity**
- >**1,300 volunteering hours** by employees
- **14 training sessions** on anti-bribery and corruption conducted for **third parties**



- Total emissions of **225,205 CO₂ tonnes**
- **263 kg** of office waste recycled

Creating A Digitally Inclusive Society

- **Our Consumer Products:** Delivered winning mobile and home connectivity through convergence
- **Our Enterprise Solutions:** Trusted partner for digital transformation of businesses
- **Our Network:** Expanded our leading converged network to serve more Malaysians
- **Our Innovation:** Fostered innovation through strategic investment in new growth areas

Enhancing Our Omnichannel Customer Experience

- **Our Customers:** Delivered unmatched personalised experience across customer touchpoints

Empowering Our People and Transforming Our Organisation

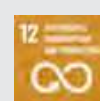
- **Our People:** Developed a diverse and inclusive workforce with strong employee engagement
- **Our Digital Transformation:** Enhanced systems and capabilities to strengthen our digital and online presence

Caring for Our Community and Environment

- **Our Community:** Empowered communities by driving greater access to quality education and fulfilling our social responsibilities
- **Our Environment:** Minimised our environmental footprint through efficient emission and resource management

Embedding Responsible Business Practices

- **Our Integrity & Governance:** Upheld ethical business practices through robust integrity governance
- **Our Supply Chain:** Improved supply chain management with responsible procurement
- **Our Cybersecurity:** Strengthened cybersecurity to support digital transformation, ensuring cyber resiliency and responsible digital citizenship





Always here
to keep people from
all walks of life

All-Ways Connected™



Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

Mapping
against
SDGs



OUR CONSUMER PRODUCTS

Delivered winning mobile and home connectivity through convergence

Maxis has been a cornerstone of the Malaysian consumer mobile space since we started our operations over 27 years ago. As the nation's leading converged solutions provider, our value propositions now encompass a wide range of products and services that complement each other to offer a complete, converged connectivity experience.

TECHNOLOGY AND INNOVATION

Over the last few years, we have seen the COVID-19 pandemic further accelerate the adoption of consumer digital lifestyles. We continue to make the most of this opportunity through our investments in and deployment of technology and innovation as a key part of our strategy.

Elevating Experiences through Maxis Fibre and Prime

The last year saw us take another step forward towards enhancing the converged experience for our customers, through the launch of our Max WiFi by Maxperts service. Max WiFi is the first-ever WiFi subscription service in Malaysia that delivers total WiFi coverage for your home. Through this service, Maxperts will perform a WiFi strength analysis on our customers' homes before installing EasyMesh in strategic locations. This service comes with next-day tech support to provide immediate troubleshooting services or to help set up WiFi connectivity devices.

We launched our Maxis Home Fibre campaign to raise awareness about the importance of a better home WiFi experience. We offer households an enhanced WiFi experience by providing them with the latest routers and home devices that are available through affordable monthly installment payments. Customers can enjoy better WiFi coverage that have been optimised by Maxperts, enabling more Malaysian families to enjoy improved connectivity at home.

Enhancing Digital Lifestyles through Maxis Postpaid Mobile

We continue to drive the consolidation of accounts through the Maxis Family Plan to accelerate the uptake of digital services within families. The Maxis Family Plan was subsequently expanded to encompass eight mobile lines. In addition, we took steps to enhance customer experience by offering greater personalisation in terms of device offerings, rewards and value propositions. Efforts in this area were guided by the recognition that the customer needs of Maxis Postpaid, our core mobile product, is evolving. As part of our Always Be Ahead™ commitment, we are continuously building capabilities to develop products and services that provide an uninterrupted and worry-free experience for our customers.

Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

Providing Affordable Mobile Services through Hotlink Prepaid & Hotlink Postpaid

The Hotlink Prepaid and Postpaid plans are designed to provide customers with exceptional experiences that are both affordable and provide excellent value.

In 2022, we launched our Hotlink Pantas plan, tailored for customers seeking great value high-speed internet. This complements our Hotlink Unlimited plan, which provides a worry-free unlimited prepaid internet solution. We have also enhanced our Hotlink Postpaid plans with generous data quotas, unlimited talk time and texting along with device bundles offering savings on the latest smartphones. This gives customers the freedom to use it to fulfil their needs, be it for work, social, content, gaming or browsing.

Driving Customer Engagement through Hotlink Rewards & Hotlink App

Our new and enhanced Hotlink Rewards programme now provides our customers with internet based rewards and partner vouchers via the Hotlink App. For instance, Hotlink customers can redeem free internet and discount vouchers with every internet purchase or at every postpaid billing cycle. Hotlink credits can be utilised to enrich our customers' mobile digital experience through digital streaming services, carrier billing for Google Play and the Apple App Store, as well as the ability to purchase music streaming services. Through these services Hotlink customers are able to enjoy the best converged services that we have to offer.

SUSTAINABLE BUSINESS GROWTH

Key to our sustainable business growth strategy is our Zerolution ownership programme, which provides our customers with affordable and accessible ownership of the latest smart devices. Requiring zero upfront payment and interest-free payments, Zerolution has proven to be a popular proposition for our customers. In further enhancing the programme, we expanded the payment period from between 12 months and 36 months to give our customers greater flexibility. The Zerolution programme now extends beyond smartphones and accessories to include home appliances that complement our Maxis Fibre broadband service, fulfilling our commitment to offering converged solutions. We have also added a new functionality to enable our customers to switch from Fixed Wireless Broadband to Fibre via the Maxis App, thereby making the process more convenient.

Overall, we continued to focus on:

- Expanding product and segment propositions to drive acquisition and increase subscriber market share, especially in the M40 and T20 segments.
- Focusing on customer segment propositions with differentiated and attractive devices, content and solutions, with communications tailored to drive relevancy with the target audience.
- Strengthening channel capabilities to expand our reach and reinforce our go-to-market approach.
- Seizing opportunities with our own build infrastructure to drive under penetrated fibre areas or areas yet to be fiberised.
- Proactive base management to retain and grow customer lifetime value by enriching customers' experiences from rate plan / speed upgrades to seamless customer journeys from in-store experience to Maxis App.

FUTURE PLANS

Over the Short Term

- Expand target segments and wider product offerings to accelerate subscriber growth
- Continue to strengthen the family concept and convergence to accelerate share line penetration, account consolidation and drive Average Revenue Per Account (ARPA) growth
- Expand Segment of One (SO1) capabilities beyond connectivity to maximise value through convergence and solutions
- Accelerate the expansion of our own-build fibre network through the JENDELA programme, and target greenfield areas through partnerships to expand market share

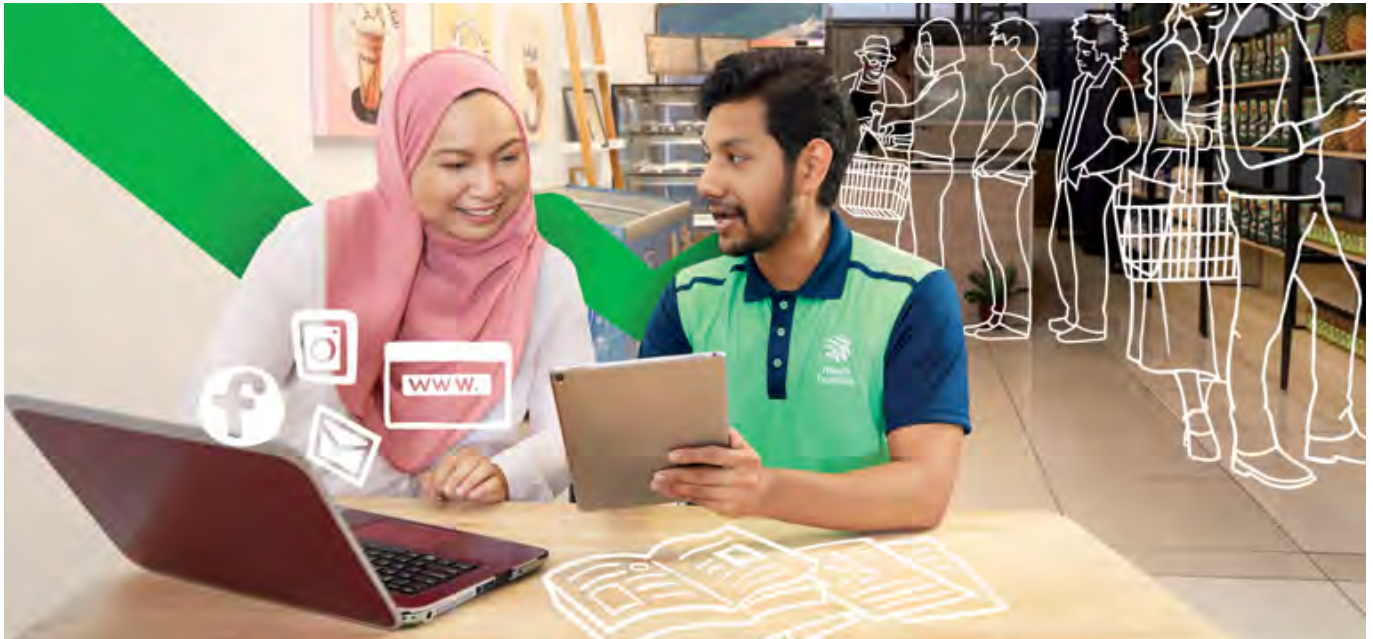
Over the Medium Term

- Achieve our next major milestone by reaching one million household subscribers
- Become the industry leader for Convergence (Mobile + Fibre / FWBB) subscriber market share
- Become the leading Augmented and Virtual Reality Experience Provider in Malaysia
- Fully automated SO1 recommendations platform that delivers an unmatched personalised experience to our customers

Over the Long Term

- Become the undisputed leader of converged solutions for Malaysian families

Our Value Creation Outcome 1: Creating A Digitally Inclusive Society



OUR ENTERPRISE SOLUTIONS

Trusted partner for digital transformation of businesses

We remain focused on providing attractive Enterprise offerings to our customers – this includes continuously refining and optimising our portfolio and rolling out innovative, customer-first solutions in order to strengthen our market leadership in the sector.

BEING THE TRUSTED DIGITALISATION PARTNER FOR EVERY BUSINESS

We invest in technology and innovation to provide products and service offerings that address the needs of our Enterprise customers, and bridge the digital gap in support of national priorities.

Accelerating Digitalisation among Small-Medium Businesses

Committed to accelerating digital transformation across SMEs, Maxis continues to drive the adoption of transformative enterprise solutions and innovation. Maxis has supported over 25,000 SMEs in their digitalisation journey via our UsahaWIRA programme. Through this, we educated and inspired SMEs to grow and scale their businesses digitally while alleviating their financial burden. Partnering with AmBank, BSN, MDEC and the Malaysian Retail Chain Association (MRCA), we hosted nationwide networking sessions to connect local businesses. Over 500 local entrepreneurs were inspired by the journeys of their peers, and to explore solutions on digital marketing, electronic point-of-sale, remote working and more.

Launch of the Maxis Business Innovation Centre

In April, we have launched our very own Maxis Business Innovation Centre (MBIC) which is a key milestone in our journey as Malaysia's leading converged solutions provider.

MBIC functions as a concept space which showcases best-in-class applications and experiences to inspire our Enterprise customers as they embark on their digital journeys. In 2022, we hosted >1,000 attendees across >130 engagement sessions with our partners and customers, helping them to bridge the gap between their businesses and technology.

Forming the Maxis 5G Alliance

In line with shaping our 5G ecosystem, Maxis led and formed the 5G Alliance programme in June 2022, with the aim of catalysing the development of 5G technology use cases and next generation IoT solutions. The 5G Alliance has seen positive traction with its members growing from the initial 16 to 23, comprising local and global technology companies, ecosystem builders, and industry leaders across different verticals. This 5G ecosystem initiative is in line with the national digital agenda to unlock the value of IR4.0 and represents Maxis' commitment to fostering greater innovation in the country.

Ramping Up Our Internal Capabilities

Maxis has invested heavily in the upskilling and accreditations of our people. In addition to becoming a Microsoft Gold Certified Partner, we were the first Malaysian converged solutions provider to be an Authorised Device reseller for Microsoft Surface. Maxis also holds 9 Gold and 4 Silver competencies with accreditations encompassing cloud platform and productivity, data centre, security, application development and integration, among others. In the new Microsoft Cloud Partner Programme, Maxis is one of the first Microsoft partners to attain the designations of Solutions Partner for Data & AI (Azure) and Solutions Partner for Modern Work.

Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

Maxis is also the first Malaysian converged solutions provider to participate in the AWS Solution Provider Programme, designated as an AWS Advanced Consulting Partner and AWS Public Sector Partner. We currently have a total of 410 AWS Accreditations and 49 AWS Certified employees. Additionally, Maxis is a Cisco Premier Partner with Premier Certified Integrator, Premier Provider Cloud and Managed Services Programme and Small Business Specialisation. Maxis, in partnership with VMWare, has also been recognised as a Cloud Verified Programme Partner. In addition, Maxis forged strong strategic partnerships with the likes of Cisco, Sophos, Fortinet, Peplink and many more.

Maxis also introduced the Maxis Right Expertise™, our end-to-end fully Managed Network Services - across strategic ICT advisory, analytics, cybersecurity, cloud, IoT, 5G and many more - to support the digitalisation of businesses. We are backed by a 230 strong and growing team of globally accredited and certified specialists.

Maxis Mobile Private Network

Maxis introduced the Mobile Private Network in October 2022, providing wireless connectivity to power industrial automation and IoT needs and driving IR 4.0. It offers scalability, flexibility, high speeds, and networking ability to enhance data security and compliance for critical industries such as manufacturing, oil and gas, and logistics.

The Mobile Private Network leverages Maxis MEF (Metro Ethernet Forum) 3.0, and is a one-stop centre for smart manufacturing, cloud and MEC. This platform provides

customers with a competitive edge in productivity, cost efficiency, inventory management, and reduced order lead time.

As part of the Smart & Sustainability Manufacturing Journey showcase, Maxis collaborated with Omron, a member of the Maxis 5G Alliance, to showcase autonomous mobile robots powered by Maxis Business' next generation network. These autonomous robots enable 24/7 plant operation with zero downtime, reducing operational costs while improving safety and productivity.

FUTURE PLANS

Our Enterprise segment will continue to grow core and drive digitalisation across Malaysian businesses in a holistic way, with targeted engagements with all customer segments to scale our market position. Our aspirations going forward are to:

- Continue to scale up our core offering across mobile and fixed in providing right-fit connectivity needs across the business segments.
- Develop well-curated Enterprise ICT solutions for our business segments, including a strong push of our Maxis Right Cloud™ offerings underpinned by best-in-class network infrastructure and supported by our Maxis Right Expertise™ team.
- Provide market-leading customer experiences.
- Accelerate all round sales execution and performance management while maintaining sales excellence.

OUR NETWORK

Expanded our leading converged network to serve more Malaysians

Maxis continues to expand its network coverage footprint, while enhancing service quality and adopting more state-of-the-art capabilities to provide a reliable and seamless Unmatched Personalised Experience for our customers.

UNMATCHED CONVERGED NETWORK EXPERIENCE

In 2022, we have grown our 4G network to cover 95% of the nation's populated areas, and enhanced our network capacity ahead of the demand curve hence assuring consistent network service quality. These measures included the upgrade of 4G radio access network, deployment of advanced transmission high-speed microwave and strengthening of fibre network architecture to enhance network resiliency, resulting in network speed and stability improvement. We also maintained a consistent customer experience with 95.4% of speed test samples achieving over 3 Mbps, which is recommended for good High-Definition video experiences.

Maxis has fibre access to more than 7 million premises nationwide, from which our connected subscribers have increased to more than 750k inclusive of fixed wireless broadband. We are also expanding our own fibre footprint to support multiple services (Mobile, Enterprise and Home), which is at 21,000 km nationwide and growing. We are proud of our network achievement in delivering consistent subscribed speed for our home users, hence delivering an Always-On experience commitment.

We saw encouraging progress in our Voice over LTE (VoLTE) service take-up rate, with 74% of our voice traffic conducted over VoLTE, surpassing our 2022 target. This allows our customers to enjoy faster call setup times, better voice clarity, and robust and uninterrupted connectivity. Meanwhile, we also exceeded our JENDELA commercial network build targets for 2022, with 157 new and 1,847 upgraded mobile sites.

Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

Our Network Leadership Highlights



95.4% speed data
samples above 3 Mbps



95% 4G LTE
population coverage



74% voice traffic
conducted over VoLTE



Fibre access to more than 7 million
premises



2,000+ upgrades
and new sites for JENDELA

LEVERAGING ON TECHNOLOGY FOR OPTIMISED CONNECTIVITY

In March 2022, Maxis successfully deployed the world's first commercial Frequency Division Duplex (FDD) Tri-band (LTE 1800 MHz, 2100 MHz & 2600 MHz) Massive-MIMO site on a live network in Malaysia. This deployment helped to enhance network capacity and improve user experience by up to four times in heavy traffic scenarios. To further improve network performance, Maxis also implemented advanced radio transmission features that utilises AI algorithms to distribute traffic and achieve better network efficiencies. Meanwhile, we have been testing new technologies such as Open RAN (ORAN), which is based on open standards and virtualised architecture, to improve network agility and efficiency.

We also successfully trialled 10G PON (Gigabit Passive Optical Network) technology over our live, next generation fibre-to-the-home (FTTH) network, where we achieved close to 10 Gbps download speeds. Such capabilities are important to support future bandwidth demands for cloud computing, virtual reality, augmented reality and full-fibre campuses.

We are also extending our network leadership superiority through the exploration of Multi-access Edge Computing (MEC) as a digital solution for enterprises. MEC substantially accelerates data processing time for time-critical applications such as data analytics, AI, automation and machine learning (ML).

Specifically for customers in East Malaysia, Maxis deployed regional core network in Kuching and Kota Kinabalu to support mobile traffic growth and localised content distribution. Such network setup will significantly improve latency and increase download speeds in Sabah and Sarawak, enabling a comparable mobile internet experience with the rest of our customers in West Malaysia.

ENHANCING CONNECTIVITY FOR BUSINESSES

Maxis provides a suite of connectivity and managed services for businesses, including new products such as Backup as a Service (BaaS), Managed Cloud Voice and 5G Internet of Things (IoT), which were launched in 2022. We are also proud to be MEF 3.0 Software Defined Wide Area Network (SD-WAN) certified for both IPV4 and IPV6 in Malaysia.

These solutions also help us deliver on our Always-On proposition, strengthening our network's resiliency by supporting advanced IP transmission and providing seamless fail-safe backups. In 2022, 700 of our Enterprise circuits were migrated to make use of advanced IP transmission, and 77 legacy copper transmissions were migrated to fibre, effectively enabling higher network speed and quality for our customers.

As a result of these initiatives in pursuit of service excellence, our Net Promoter Score (NPS) has improved to a commendable 71 for Service Delivery and an excellent 82 for Service Management.

EFFICIENCY THROUGH DIGITALISATION AND PROCESSES

The network team continues to leverage on digitalisation and has adopted new technologies to improve the effectiveness and efficiency of our network design, processes and operations.

By leveraging on AI, ML, robotic process automation (RPA) and advanced analytics, we have digitalised 40% of network processes, improving fault detection and prevention, reducing downtime and enhancing customer experience. These digitalisation initiatives have contributed to cost savings of close to RM14 million.

In 2022, we developed and tested 82 use cases, with 70% of them completed by our 190 Network Digital Talents.

Maxis embraces the International Organisation for Standardization (ISO) standards in our quest for efficient operational processes while assuring robustness in the security of our systems and network. To date, we have received the following certifications:

- Certified ISO 9001:2015 Quality management system.
- Certified ISO 22301:2017 Business continuity management system.
- Certified ISO 27001:2022 Information security management system.

Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

NETWORK READINESS

Maxis delivered uninterrupted connectivity during special events in 2022. In the 15th General Election (GE15) for example, specific measures were successfully implemented, namely:

- Managed 175 events nationwide with customer-focused dashboards and on-site support.
- Activated a 'war room' to coordinate network monitoring and mitigation during GE15.
- Managed the surge of mobile traffic trends with traffic offloading and balancing.
- Monitored network health at key constituencies, polling stations, vote counting stations and key GE15 locations.
- Deployed 7 Mobile Coverage Vehicles for increased capacity at GE15 locations.

In December 2022, the year-end monsoons caused flooding that impacted over 100 sites in East Coast Malaysia, affecting more than 290,000 Maxis subscribers. To mitigate the impact of the floods, we implemented various measures, including:

- Proactively monitoring high flood risk zones and equipping sites with standby gensets.
- Deploying free WiFi at selected Pusat Pemindahan Sementara (PPS).
- Equipping regional teams with drones for aerial surveillance.
- Stationing critical equipment at regional offices for faster on-site restorations.
- Collaborating with the Royal Marine Police Academy for Maxis Response Team training.
- Connecting 55 flood hotspots with backup gensets.
- Conducting site security hardening on selected sites.

Following the Batang Kali landslide tragedy, Maxis' network team responded promptly to support the search and rescue mission. Recognising the challenges posed by the rugged terrain and dense forest areas, we quickly allocated necessary resources and assets to establish network connectivity. We optimised and upgraded nearby sites, installed 4G VSAT, and deployed a Mobile Coverage Vehicle to extend coverage to the Batang Kali Landslide Command Centre achieving our objective to provide the search and rescue team with the essential digital tools required to carry out their operations efficiently.



Our Value Creation Outcome 1: Creating A Digitally Inclusive Society

OUR INNOVATION

Fostered innovation through strategic investment in new growth areas

Maxis places great emphasis on innovation as a fundamental catalyst for growth and productivity, especially in the rapidly-evolving digital landscape. As a result, we invest not only in innovative measures to improve our operations, but also in funding new ventures and growth areas in strategic verticals.

MAXIS AWARDS

The Maxis Awards was launched in 2021 to recognise Malaysian heroes who have been making an impact in our communities and inspiring other Malaysians to be positive agents of change. Winners are selected based on three important criteria, namely the value of the project to the community, the innovativeness of the project and if the project is tech-enabled. Recipients of the Awards since its inception include the following organisations:

- **PROJECT EARTH BY BLUE BEE TECHNOLOGIES:** Project Electronic Recycling Through Heroes (ERTH) utilises a network of freelance heroes to collect old, used or unwanted electronics directly from Malaysian homes and businesses.
- **PROJECT BENIH BY TRCRC:** Project Benih by the Tropical Rainforest Conservation and Research Centre (TRCRC) implements long-term solutions for community-led restoration projects to address climate resilience and strengthen sustainable livelihoods.
- **VIVA ODYSSEY:** Viva Odyssey is a leading provider of safety technology and integration systems that strives to reduce workplace accidents worldwide.
- **SEAD INDUSTRIES:** SEAD Industries is an impact enterprise providing building design and environmental consultancy services with hopes of creating a Sustainable Bamboo Harvesting Programme.
- **FOOD AID FOUNDATION:** Food Aid Foundation strives to reduce food wastage as well as improve the efficiency of collection and food supply delivery through an integrated system that can streamline logistics and inventory management.

MAXIS VENTURES

In 2022, Maxis continued its efforts to foster innovation in Malaysia and boost the digital economy by acquiring significant stakes in two tech-driven ventures. These ventures were selected for their potential to create synergies with Maxis' network, including people, technology, and converged solutions that benefit our customers.

GuruLab

GuruLab is a Malaysian-based education analytics startup that empowers teachers to effectively provide personalised English education. GuruLab utilises data analytics to assess students' written work and verbal responses to create a detailed profile of their strengths and areas that require improvement. The feedback algorithm then recommends the

best practices for each student, addressing the shortcomings of the 'one-size-fits-all' approach used by schools and tuition centres.

In 2022, Maxis partnered with GuruLab to assist students with essay writing during the Maxis eKelas' English Highly Immersive Programme (HIP) Storyfest competition. The collaboration involved running a workshop for students and utilising the GuruLab platform to evaluate essays.

ComeBy

ComeBy is a Malaysian retail tech startup that offers a platform to help offline retailers understand their shoppers' preferences and sell more effectively. By using active and passive tracking and a network of QR codes to deliver contextual information, ComeBy enhances shopper engagement and conversion rates. ComeBy has conducted pilots with several popular retail partners in Malaysia and Singapore.

FINTECH

Maxis aims to support the shift towards greater accessibility and inclusivity in financial services through its wholly-owned subsidiary, Maxis Collections Sdn Bhd (MCSB). As an approved E-Money Issuer by Bank Negara Malaysia, MCSB seeks to develop strategic partnerships in digital payments, financing, lending, insurance, and other financial products. MCSB is desirous of positioning itself as a viable fintech partner for banks and non-bank service providers to create new digital-first products and enhance customer experiences.

MAXIS IP POLICY

In recognition of the importance of innovation within Maxis and the increasing levels of intellectual property emanating from within the organisation, we launched the Maxis Intellectual Property (IP) Policy in July 2021, providing a framework to manage, protect and commercialise Maxis IP. In conjunction with the IP Policy, a series of IP awareness workshops and engagements were rolled out to key business stakeholders in 2021 and subsequently organisation-wide in 2022, educating and empowering our businesses to own their innovation journeys.

With our businesses rallying behind our convergence call-to-action, the organisation's intellectual capital continues to grow, evidenced by our filing of four patent applications in 2021 and the extension of those patent filings internationally in 2022. We established the Maxis IP Committee, comprising Maxis' CEO, CTSO, CNO, CIO, CHRO, Head of Legal, Head of Business Planning and Head of Enterprise Products as part of IP governance. The role of the IP Committee is to provide guidance on homegrown IP, balancing business needs for commercialisation against overall IP protection and risk management.

Our Value Creation Outcome 2: Enhancing Omnichannel Customer Experience

Mapping
against
SDGs



OUR CUSTOMERS

Delivered unmatched personalised experience across customer touchpoints

At Maxis, we are guided by our 'Unmatched Personalised Experience' (UPE) philosophy to prioritise our customers in all our Customer Experience (CX) activities. Our commitment to creating UPE puts people first with the aid of technology, developing easy-to-use and accessible solutions tailored specifically to the needs of all Malaysians.

EXPANDING CUSTOMER TOUCHPOINTS

Maxis is committed to providing a customer-first, consistent, and seamless omnichannel customer experience by expanding and integrating digital channels. We aim to serve the digital lifestyle needs of our customers by creating a platform that enables self-serve capabilities, which enables Maxis to realise new business opportunities and drive new customer behaviours. Our achievements in this area include:

- Expanded our presence in the digital and electronics retail space across the nation through Shop-in-Shop Partnerships.
- Expanded our presence on e-commerce and e-wallet platforms to enable wider access to digitally savvy customers to make purchases online.
- Simplified online-to-offline or offline-to-online transactions for seamless product discovery and purchase.
- Leveraged advanced analytics and ML models on customers' credit eligibility to improve accessibility to Maxis products and services.

DRIVING DIGITAL ENGAGEMENT AND CUSTOMER CARE

Our digital self-service capabilities and features, which redirect voice calls to our mobile app through the use of Visual Interactive Voice Response (VIVR), have enabled customers to take greater control of their account services.

We also launched Maxis WhatsApp as a customer care engagement channel, and it has quickly become a critical part of our suite of self-serve offerings. Under our Digital Care programme, customers are able to self-serve basic transactions through MAX, our chatbot, which powers the Maxis WhatsApp channel. Via MAX, we are now able to provide 24-hour customer care while automating basic transactions. These efforts have led to a 6% year-on-year growth in Digital Care adoption, and we expect usage to continue increasing as we enhance our offerings with more self-serve features and functionalities.

Additionally, our customers can now check on planned and unplanned network incidents via our newly introduced Maxis Mobile Network Checker on the Maxis App, as well as network outage information published on the Maxis website. Through the Maxis App, customers can also optimise their device and network performance with the help of a device self-troubleshooting guide, as well as escalate network faults and track case status.

Our Value Creation Outcome 2: Enhancing Omnichannel Customer Experience

As for our fibre business, we now offer same-day fibre installation services to reinforce our 'Fibre Always On' brand proposition. Other initiatives in relation to our home fibre service include:

- Implemented a Proactive Service Management feature that automatically detects loss of fibre service and guides customers in self-troubleshooting and self-restoration.
- Rolled out advanced diagnostics on the Fibre Self-Serve portal to detect dongle failovers and incompatible devices.
- Revamped user interface for improved user experience and faster home WiFi optimisation.
- Provided Business Fibre customers access to the Fibre Self-Serve portal via the Maxis Business Fibre Hub.
- Implemented mWise, an all-in-one Maxpert Home Solution tool, for Maxperts to demonstrate the effects of using mesh WiFi in our customers' homes.

Finally, we introduced new features across our Maxis stores to make digital discovery more accessible and convenient for our customers. Initiatives included:

- Launched enhanced Maxis Interactive Retail Assistant (M.I.R.A.), an in-store virtual concierge, to personalise Maxis products and services offers while waiting in queue.
- Introduced interactive demo device experience through the Discovery App (DISCO) and e-Brochure, providing phone model comparisons.
- Enabled online appointment bookings for retail stores to create seamless customer experience.

ENTRENCHING A WINNING CUSTOMER CULTURE AND PEOPLE EXCELLENCE

The Maxis Customer First culture is integrated across our organisation to ensure that our people are ready to deliver UPE. To strengthen our position, we reinforced our brand advocacy and intensified the "I am Maxis" spirit through brand ambassadorship. We also delivered best-in-class frontliner experience via uplifted competencies and transformed customer journeys in delivering better and faster solutions to customers.

To further support Maxis employees in their CX development, we held a CX Summit with internal and external thought leaders from various industries. They shared the latest trends, tech solutions and ideas shaping the CX industry during the in-depth panel sessions. We also celebrated Global CX Day to recognise the contributions of our frontliners.

Maxis received multiple industry awards in 2022 for CX performance, including Contact Centre World Awards and CX Asia Excellence Awards under the Corporate category. We were recognised for Best Contact Centre, Best Sales Campaign, Best Use of Self-Serve Technology, Best Social Media Experience, Best Use of Automation in a Contact Centre, Best Customer Experience Team, and more.

RESPONSE TO COVID-19

As Malaysia transitioned to the endemic phase of COVID-19, we relaxed strict hygiene measures while still following SOPs. We encouraged hybrid working and deployed automation and self-serve capabilities to manage call volumes and support needs.

Maxis retail stores continue to prioritise safety standards and personal hygiene. Measures include:

- Providing a checklist of COVID-19 SOPs for our staff, which is revised periodically in line with government advisories.
- Preventing staff with preconditions from reporting to work. Staff are also required to conduct a weekly COVID-19 self-test every Sunday night.
- Ensuring all in-store staff are fully vaccinated.

On top of that, all our Maxperts continue to maintain the highest hygiene and safety standards for themselves and our customers while on-site. Maxperts undergo regular health checks, and are not permitted to work if unwell.

FUTURE PLANS

Our objective is to establish mutual trust with customers and provide them with Unmatched Personalised Experience in their interactions with Maxis. This enables us to further deliver additional value to them, assisting them in their digital transformation, while helping us become a more complete and sustainable connectivity provider. Our objectives can therefore be summarised as follows:

- Deliver distribution excellence.
- Maximise customer lifetime value.
- Deliver an Unmatched Personalised Experience.

Our Value Creation Outcome 3:

Empowering Our People and Transforming Our Organisation

Mapping against
SDGs

OUR PEOPLE

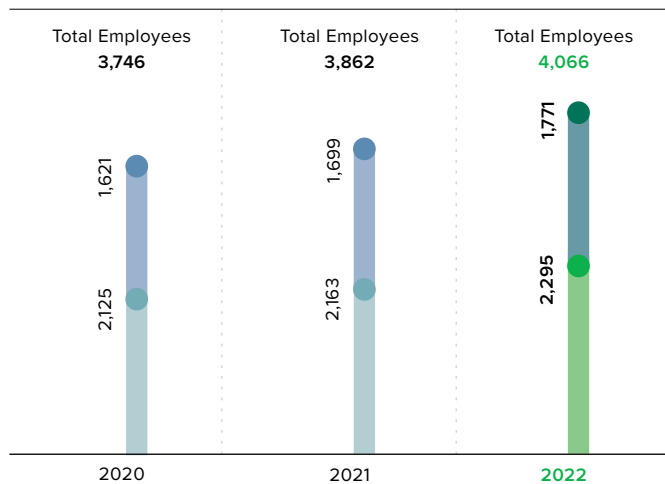
Developed a diverse and inclusive workforce with strong employee engagement

At Maxis, our people are our greatest assets. We strive to bring the absolute best out of our people and ensure that they share the same vision in all that we do – to Always Be Ahead™. In this section, we specify the initiatives we have carried out to create a diverse, ethical, fun and inclusive workplace for all by embedding a culture that enables our employees to thrive and excel.

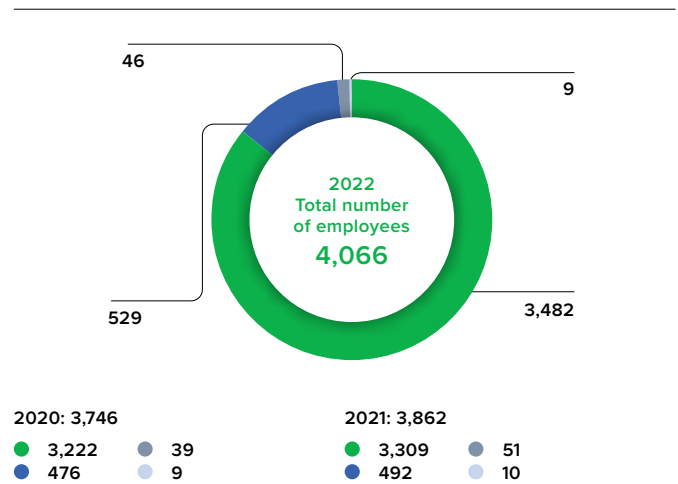
Maxis' Employee Profile

Employees by Gender

● Male ● Female



Employees by Contribution Level

 ● Individual Contributors ● Managers
 ● Senior Leadership Team (SLT) ● Maxis Management Team (MMT)


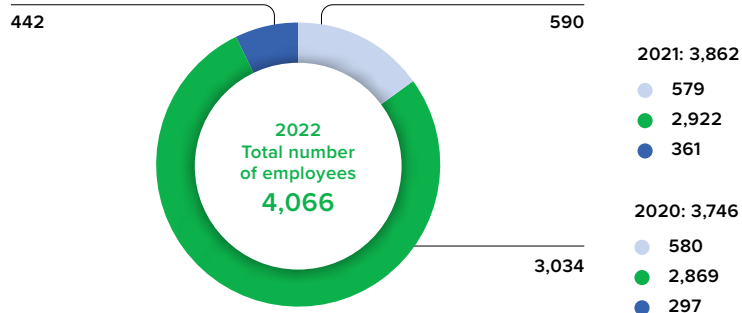
Permanent & Contract Employees by Gender

Year	Female				Male			
	Permanent		Contract		Permanent		Contract	
	No. of employees	Percentage (%)	No. of employees	Percentage (%)	No. of employees	Percentage (%)	No. of employees	Percentage (%)
2020	1,566	42%	55	1%	2,005	54%	120	3%
2021	1,674	43%	25	1%	2,117	55%	46	1%
2022	1,742	43%	29	1%	2,236	55%	59	1%

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

Employees by Age Group

● Below 30 ● 30 to 49 ● 50 and above



Employees with Disabilities



2022:
4 (0.10%)

2021: 5 (0.13%)
2020: 5 (0.13%)

Employee Development

At Maxis, we consider ourselves a learned organisation. We have built an ecosystem to mobilise high impact learning initiatives that help our employees choose and build the right capabilities, to deliver high performance and to always stay ahead.

Enhancing Organisational Capabilities

Maxis is committed to equipping our workforce with critical skills through various learning formats, including online, classroom and mobile learning. In 2022, our employees attended over 130,000 hours of training in key areas such as leadership, business, technology and compliance. We have invested in other online learning platforms to complement our learning management system. We have also implemented talent development and women in leadership programmes to provide growth opportunities and enable the development of talent. As part of our digitalisation efforts, we launched the Maxis Digital Citizen programme to build and improve the digital skills of our employees.

Employees Who Received Annual Performance Feedback

Year	No. of Employees Who Received Annual Performance Feedback*		Percentage (%)	
	Female	Male	Female	Male
2020	1,581	2,075	97%	97%
2021	1,631	2,118	95%	97%
2022	1,721	2,210	97%	96%

* Annual performance feedback depends on employees' first day of employment with Maxis.

Employee Learning Hours

Year	Total Number of Employees**	Average Training Hours per Employee*	Total Number of Female Employees**	Average Training Hours per Female Employee*	Total Number of Male Employees**	Average Training Hours per Male Employee*
2020	3,774	21.37	1,636	21.92	2,138	20.94
2021	3,913	25.95	1,725	25.38	2,188	26.40
2022	4,078	32.06	1,780	26.98	2,298	32.80

* Training hours reported exclude mandatory compliance modules.

** Includes inactive employees who left Maxis during the year.

Learning Culture & Mindset Shift Post-Pandemic

Maxis prioritises providing learning and development programmes to futureproof the organisation and support employee growth. In 2022, we focused on initiatives like Agile, 5G, and digital literacy. As part of the Maxis Digital Citizen programme, we conducted a company-wide assessment to measure employees' understanding of various digital areas, where 97% of our employees participated in. We will expand the programme in 2023 to provide personalised learning content to each participant. Virtual courses were also offered to leaders on 5G services to fuel growth, while initiating the Agile mindset journey with certification programmes for agility across relevant teams. Moving forward, we will continue improving our employee capabilities in critical, emerging areas in 2023.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

CULTURE AND TRANSFORMATION

Maxis continues to build and strengthen our company culture through the MaxisWay 2.0 programme, with a focus on digitalisation. In 2022, we implemented the Transformational Leadership Programme (TLP) in facilitated live sessions and developed a fully digital e-learning module, which was successfully implemented in the new hire onboarding programme. Other culture programmes were also launched to upskill leaders and equip them with new tools to embed Transformational Leadership across the organisation. We introduced a new recognition tool called Applause and held the annual MaxisWay Awards in 2022 to promote a recognition culture amongst our employees and to celebrate their achievements. Our corporate culture is showcased through the #ThisIsOurStory video series and MMT Morning Chat series, which demonstrate how we practise our culture in our day-to-day working environment.

On an organisational scale, the annual employee engagement survey, Voice of Maxis, revealed that 88% of our employees understand and embrace Maxis' culture and values in their day-to-day operations, and reported a healthy engagement score of 83%. MaxisWay culture values are held with a deep sense of ownership and loyalty among our employees, which can be seen throughout many initiatives and events and has shaped our way of working.

EQUAL EMPLOYMENT OPPORTUNITIES AT THE WORKPLACE

At Maxis, we are committed to creating an inclusive, diverse, and collaborative workplace where all employees are empowered to make a positive impact for themselves, our customers, and our communities. We promote fair and equal treatment for everyone and embed these values in our corporate culture and Code of Conduct. We are proud to be signatories of the UN Women's Empowerment Principles and have been recognised for our efforts in diversity, equity, and inclusion. We have a 44% female population and support our female employees through Women at Maxis, our resource group for coaching and learning opportunities.

In efforts to further recognise the diversity within Maxis, we also launched Youth at Maxis, an employee-led community focused on building a sense of belonging among Young Talents, in December 2022.



Maxis Director, Dato' Hamidah Naziadin speaking at the RISE women leadership programme in December 2022.



Maxis Director, Ooi Huey Tyng speaking to members of the Women at Maxis community, with former CEO, Gokhan Ogut, in attendance.

At Maxis, we believe in being an ethical and responsible employer by upholding the basic rights of employees from diverse backgrounds. The Maxis Code of Business Practice and Code of Conduct, acknowledged annually by all employees, provides that we comply with the Employment Act 1955 and other labour laws and regulations in Malaysia. Under our Ethics Hotline and Whistleblowing Policy, any individual may write to the senior management, Senior Independent Director or Audit & Risk Committee Chairman.

SUSTAINABLE EMPLOYER BRANDING & TALENT ACQUISITION PRACTICES

As a leading employer in Malaysia committed to providing equal employment opportunities, we strive to strengthen our employer brand to complement our consumer-facing brands, Maxis and Hotlink. We offer various programmes such as the Maxis Graduate Programme, which was launched across five cohorts in 2022 and customised for specific business areas, allowing for the growth and development of our Young Talents. Our graduate associates also underwent a two-week attachment in frontline operations for better exposure to our customers and core business.



Our associates from the Maxis Graduate Programme 2021 cohort, alongside former CEO, Gokhan Ogut, and CHRO, Natalia Navin, during the programme's graduation ceremony. Each graduate associate completed a one-year comprehensive, rotational programme in their respective business areas.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

We further our commitment by advancing our partnerships with Malaysian universities and higher education institutions, such as by piloting our first business immersion workshop with Sunway University's Future Leaders' Academy. We also partnered with talent partners such as GoMonsta Asia to deliver the MonStar Award, which recognises young talents across Asia for making an impact on society.



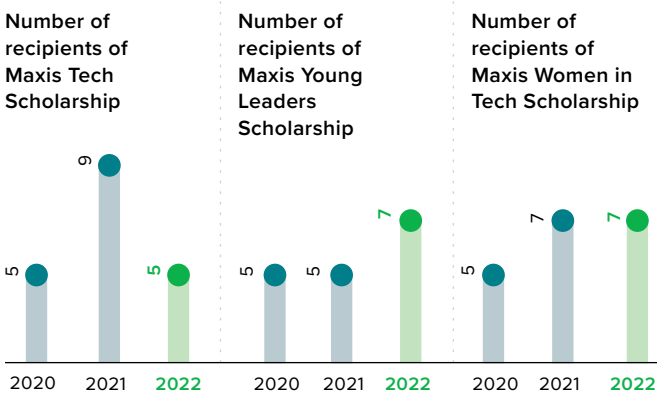
Maxis Young Talents team with talent partner, Monsta Asia, at the MonStar Awards 2022 launch and networking event held in Menara Maxis.

We also continued to offer our flagship Maxis Scholarship Programme to promising students pursuing their undergraduate studies in relevant business areas, which includes funding their tuition fees and living expenses. In 2022, we screened hundreds of applications and awarded 19 promising students with outstanding academic and co-curricular achievements across three distinct scholarship tracks.



Maxis Director, Tan Sri Raja Arshad Bin Raja Tun Uda, CEO, Goh Seow Eng, CHRO, Natalia Navin, and members of the Maxis Management Team at the Maxis Scholarship Award Ceremony 2022, where 19 students were awarded the Maxis Scholarship 2022.

Number of Recipients of Maxis Scholarship Programmes



In terms of employer branding, we continued to chart positive year-on-year growth across all social media platforms, while our strong employer brand also received recognition at various third-party awards.

Some of the employer branding recognitions we obtained in 2022 include:

1. Ranked #12 in LinkedIn's Top Companies 2022 Malaysia
2. 2nd Runner-up in Telecommunication in GRADUAN Brand Awards 2022
3. Graduates' Choice Award 2022 by TalentBank
 - a. Champion in Telecommunication in Graduates' Choice Award 2022 by TalentBank
 - b. Ranked #6 in Tech in Graduates' Choice Award 2022 by TalentBank
 - c. Ranked Top 25 overall in Graduates' Choice Award 2022 by TalentBank



4. Champion in Transparency and Reporting in Asia-Pacific WEPs Awards 2022 by United Nations Women Asia-Pacific

Engaging the Best Talents

In 2022, we improved our employees' well-being and engagement by leveraging on digital platforms while transitioning towards endemicity in Malaysia. Our Employee Experience team delivered hybrid events, both physical and digital, to cater to our employees' needs. We continued to prioritise mental health and resilience by offering the Maxis Pillar of Support Initiative (POSITIVE), including upskilling programmes for managers. To support a high-performance culture, we introduced monthly no-meeting and learning days, the Productivity Toolkit, and continued the annual Planned Shut Down in December 2022. Our efforts culminated in a strong employee engagement score of 83% in the Voice of Maxis survey, with a 96% participation rate.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

BUILDING A STRONG FOUNDATION FOR PEOPLE ANALYTICS AND AUTOMATION

In 2022, we made a strong commitment to building a future-ready people analytics platform to better manage employee data. We leveraged on cloud technologies to consolidate data from various sources into a data warehouse. This enabled us to both automate manual data updates and provide a single source of truth for people analytics. We then created downstream reporting to facilitate data-driven decision-making on people-related matters by using standardised dashboards, automated report generation and distribution, and AI/ML predictive analytics models.

Another key focus was automating manual tasks to reduce workloads, improve consistency, and enhance regulatory compliance within the People & Organisation division. We leveraged existing tools to automate day-to-day tasks, such as developing MAXine, a chatbot capable of handling and managing employee queries autonomously. This digitalisation effort has not only reduced manual inputs, but also created enhanced touchpoints for our employees, enabling them to have their queries answered on-demand.

Building Up the Next Generation of Talents

At Maxis, we prioritise the development of our talents to ensure they are future-ready. To accelerate internal talent mobility, we launched the Opportunity Marketplace, a cloud-based platform that connects employees with cross-divisional projects and internal opportunities to broaden their horizons and upskill themselves. The Opportunity Marketplace optimises talents to meet business demands and encourages collaboration, while also offering new career paths and experiences to our employees. We also provide relevant tools to improve productivity and foster a collaborative, productive, and inclusive working environment.

HEALTH, SAFETY AND ENVIRONMENT

Maxis is committed to protecting our people. To ensure this, the Group maintains a strict compliance with policies and protocols in the area of Health, Safety and Environment (HSE). The HSE department takes charge and facilitates stakeholders in all aspects of occupational health and safety. In addition, reports are reviewed by the Audit and Risk Committee on a quarterly basis.

COVID-19 Response

In 2022, vaccination was still a key objective of our COVID-19 management strategy. As such, Maxis conducted a 'Get Boosted Together' campaign in early 2022, which encouraged all employees to obtain their booster doses and also disseminated ongoing notices to remind people to get their booster shots.

Apart from the vaccination, we continued to implement strict internal procedures and SOPs to manage our response to the pandemic which is aligned with the Ministry of Health, the National Security Council (NSC) and the Department of Occupational Safety and Health (DOSH).



Working at Height Training



Basic Fire Fighting Training

HSE Training and Awareness

During the COVID-19 pandemic, Maxis ensured the safety of our employees by providing them with Health, Safety and Environment (HSE) training, including Defensive Driving, Working-at-Height, Occupational First Aid, and CPR and AED training. To improve occupational first aid skills, designated employees in the field and office premises were also trained to use AED and respond to emergencies while waiting for medical assistance. Additionally, Maxis introduced the WorkSafe App to enhance site safety management and monitor lone workers while travelling and working. The app includes features such as fatigue alerts, validation of work permits and tasks, and emergency SOS escalations. To ensure the safety of those working on towers and rooftops, employees were trained in safe working-at-height techniques.

As of December 2022, more than 3,500 employees have received training on health and safety. Maxis conducted more than 190 training programmes on health and safety during the year.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

Employees and Third-party Contractors Who Received Training on Health and Safety

	2020	2021	2022
Workforce Participation (WSC)/ Awareness Programme (General and Specialised Induction, Safety and Security Day, Planned & Ad hoc Briefing for Partners or Vendors)	8,003 (inclusive of RTO e-learning module)	6,136 (inclusive of RTO e-learning module)	3,501
Number of Employees and Third-party Contractors Who Received Training for Defensive Driving Training (DDT), WAH and CPR	5 sessions / 54 participants	9 sessions / 123 participants	17 sessions / 217 participants

Training Programmes on Health and Safety

	2020	2021	2022
Number of Training Programmes conducted	176	136	191
Completion of at-risk employees who registered to undergo HSE specialised high-risk training plan session	455	179	141

HSE Surveillance Audit for ISO 45001:2018

In 2022, Maxis successfully completed its ISO 45001:2018 Occupational Safety and Health Management System (OSHMS) Surveillance Audit. One of the main objectives of the ISO 45001 Occupational Health and Safety Management System is to ensure consistent improvement.

As part of our operations, Maxis complies with the Provision of Telecommunications Operations and Services within the scope of ISO 45001. This requirement is also extended to our partners under the Partners HSE System Audit, who are required to fulfil the minimum audit criterion of OSHA 1994 and ISO 45001 to ensure that they are fully complying with the basic requirements of HSE. Additionally, our main partners are required to attend the Maxis Partners' Forum twice.

HSE Risk Management

As part of our Occupational Safety and Health Management System (OSHMS), Maxis works collaboratively with various parties to identify hazards and risks via the Group's Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedure. In addition, we abide by the DOSH Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPOD) Regulations 2004 as well as our own Incident Investigation, Non-Conformity and Corrective Action procedure. Maxis also works closely with the Department of Occupational Safety and Health (DOSH) and is part of the working committee that collaborates with DOSH to develop and enhance the generic HIRARC for the telecommunication industry.

HSE Performance

	2020	2021	2022
Number of Inspections/ Investigations Conducted	300	705	773
Number of Partners System Audits Conducted	12	12	25

We have completed both physical and virtual inspections and audits, ensuring compliance with SOPs, and housekeeping and safety requirements, while prioritising a safe work environment for our employees.

We are pleased to report that there have been no work-related fatalities of employees and contractors during the past three years.

Lost-Time Injury

Employee Lost-Time Injury Frequency Rate

2020
0.63

2021
0.27

2022
0.18

Employee Lost-Time Injury

Office/ Site

There were two incidents resulting in two employee-related minor work injuries in 2022.

Contractor Lost-Time Injury

Site

There was one incident resulting in two contractor employees sustaining electrical injuries.

Vehicle-related Accidents

As of December 2022, there has been one Maxis vehicle-related accident resulting in one public motorcyclist fatality. The police investigations concluded that the accident was not caused by the Maxis driver.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

Here's the list of things you can do!

maxis

- 1 Manage Account & Services
- 2 Troubleshoot Maxis Home WiFi
- 3 Pay Bill or Top Up
- 4 Report Maxis Network & Services Fault

and many more...

OUR DIGITAL TRANSFORMATION

Enhanced systems and capabilities to strengthen our digital and online presence

Our digital transformation is governed and coordinated by an established central digital transformation function, which oversees the embedding of digitalisation in every business division across capabilities, customer and culture enablement. As a result of this holistic approach, we have been able to progress digital initiatives effectively to build business agility across the entire organisation. To unlock the most value, our digital transformation is not only limited to providing customers with an Unmatched Personalised Experience, but also geared towards empowering our people with the digital tools and ways of working required to deliver this value proposition.

To ensure that our digital transformation is on track, we established the Digital Maturity Index that allows for industry benchmarking. In addition, we also established the Digital Health Dashboard to monitor digital transformation progress across the organisation.

We have made good inroads with key digital capability transformation programmes and are now pivoting towards business value realisation of these new digital capabilities as well as focusing on customer transformational initiatives.

2022 PERFORMANCE

We capitalised on the strong digital-adoption mindset which was catalysed by the COVID-19 pandemic. By enhancing the capabilities of our digital channels, especially in the areas of acquisition and servicing, we have seen significant growth in digital payments and sales, as well as a larger proportion of our customers opting for self-service. We observed the following year-on-year changes in our digital channels:



Our digital transformation agenda continued to gain momentum, enabling the capture of new business opportunities and helping drive new customer behaviours through digitalisation. We also managed to enhance our e-commerce capabilities via our Online Store, empowering customers and agents with digital capabilities.

INCREASING BUSINESS AGILITY BY DIGITISING WAYS OF WORK & SYSTEMS

We launched several new features and apps to help our employees and customers increase their business agility. Through the implementation of new digital ways of working and digital systems, processes have been streamlined and expedited to maximise efficiency. Initiatives launched during the year include:

- Launching a merged app (RedApp + HotlinkFlex) catering to both Hotlink and Flex customers.
- Rolling out FaceID, an in-house web app for Hotlink, to replace the Daftar App. This effectively allows customers to perform eKYC followed by SIM activation without having to download a mobile app.
- Automating customer operations via the integration of robotics process automation.

Our Value Creation Outcome 3: Empowering Our People and Transforming Our Organisation

ENHANCING CUSTOMER EXPERIENCE

Managing customer experience is a key priority for us, and critical in achieving our goal of creating Unique Personalised Experiences. Digitalising customer care ensures faster and more accessible service and promotes digital self-care on the part of the customer.

In 2022, we launched the Network Coverage Checker in the Maxis App, which helped reduce the number of inquiries on network health to our call centres. The implementation of the Fibre Self-Service Portal has also helped customers self-troubleshoot their fibre connection when faced with disruption. Finally, we launched the MAXBot 2.0 with multilingual capabilities to help customers with basic transactions.

DIFFERENTIATING OURSELVES THROUGH ADVANCED ANALYTICS & MACHINE LEARNING

Maxis leverages on ML and analytics tools to ensure that we stay ahead of the competition to remain the leading provider of converged solutions in Malaysia. These tools not only help us become a more efficient and effective organisation, but also identify opportunities for additional value creation. In 2022, we accelerated the use of ML models, developing twice the number of models as compared to 2021. Other initiatives include:

- Embedded our Analytical Data Store into operations to enable AI / ML-ready data.
- Formed partnerships with technology companies in leading business intelligence, auto machine learning platform and workforce precision up-skilling.

EMPOWERING OUR PEOPLE & TRANSFORMING OUR ORGANISATION

Our people and talent are at the heart of all that we do and are important enablers of all our value creation activities. To that end, we have developed a diverse and inclusive workforce that boasts strong employee engagement, which is supported by systems and capabilities that enable growth in our digital and online presence. It is also imperative that we ensure that our people are trained to make use of state-of-the-art digital tools to maximise their efficiency and effectiveness.

As part of our digital transformation journey, we launched the MDC programme to establish baseline digital fluency and dexterity of Maxis' workforce and develop personalised learning journeys for them. We also invested in skills development in the areas of Digital Platforms, Robotic

Process Automation, Data Analysis, Data Science and Analytics, Machine Learning and AI, and Business Security, as these are areas that we have identified as important for the sustainability of our organisation.

Maxis continued to collaborate with various hyperscalers in digital, data and cloud as part of our digital transformation journey. This includes partnerships with AWS, Microsoft and Google, to name a few.

We continue to prioritise building digital talents and skills of our workforce and instilling a digital innovation culture through hackathons, fostering new ways of working and collaboration.

DRIVING INNOVATION

Innovation is an integral part of all that we do at Maxis. It is central to securing our market-leading position, in developing new channels of revenue and value, and is in line with our support for a digitalised nation. Some of the innovations introduced in 2022 include the following:

- Maxis Business Innovation Centre GO-live with smart security + agriculture + AR/VR
- mDrive
- Worksafe Network app & dashboard
- Managed IoT network (MIN) dashboard refresh to support 5G
- Robotics (autonomous robot MARIA developed for telepresence and monitoring)
- Partner Portal launched for Ambank and Cloud POS

OUTLOOK

Our long-term goal is to evolve from a digital telco to a technology company, enabling zero touch operations, achieving 100% digital customer self-serve and shifting 100% of business IT applications and infrastructure to the cloud.

We believe this can be accomplished through sustaining our efforts in digital transformation driving modern digital IT capabilities, automation, AI and analytics as well as new cloud platforms. At the same time, we will continue to expand the Agile framework, DevSecOps and DataOps as development standards for new digital capabilities, of which the majority will be performed in-house. We are prepared to further develop our skills in all relevant areas to support this effort, in addition to further enhancing the security of our systems and operating models.

Our Value Creation Outcome 4: Caring for Our Community and Environment

Mapping against
SDGs



OUR COMMUNITY

Empowered communities by driving greater access to quality education and fulfilling our social responsibilities

Our strategy for enabling a digitally inclusive society focuses on bringing the best of technologies to enable the community to Always Be Ahead™ in a changing world.

A big part of our commitment to investing in Malaysia is supporting communities – from students and women to SMEs entrepreneurs and B40 groups. This is driven by our long-standing passion for education.

We continued to accelerate our efforts to support impacted communities and help them thrive in an increasingly digital environment.

Our community initiatives are focused on three core areas:

- Enabling greater access to digital learning for students in rural communities
- Empowering women entrepreneurs and micro-SMEs with digital marketing skills
- Community outreach during festive seasons and providing humanitarian relief during natural disasters.

Community initiatives

Initiatives (RM'000)	2020	2021	2022
Flagship programmes - eKelas and eKelas Usahawan	1,794	1,784	1,312
Festive charities	53	105	64
Humanitarian contributions	501	446	819
MyBaikHati programme	-	51	10
Capacity building in support of the PUPUK programme	-	-	1,400
Sponsorships of communications services for community initiatives and events	-	-	358
Total	2,348	2,386	3,963

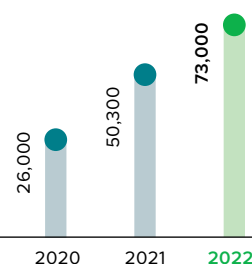
ENABLING GREATER ACCESS TO DIGITAL LEARNING

Technology has the power to democratise education, providing access to experienced educators and quality learning content to students especially those in rural communities. Maxis' flagship community programme, Maxis eKelas, which is in its seventh year, continued to support students nationwide with free access to exciting digital learning content and engagement activities.

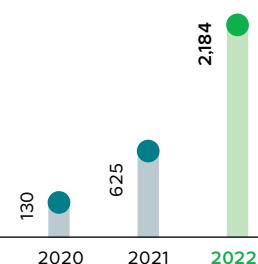
As an after-school digital learning initiative for students from Year 4 to Form 5, the programme promotes learning enrichment in a fun and vibrant way and provides access to quality educational content, in line with the Malaysian School Syllabus. Focusing on Science, Mathematics, English, Bahasa Melayu and History, students are exposed to experiential learning through a combination of live tutorials, group learning, competitions and digital content via the eKelas portal and app. eKelas today provides a complete digital learning experience, including opportunities for students to take part in annual campaigns like English and STEM competitions as well as the opportunity to apply for the Anugerah Gemilang student grant.

To date, there are over 73,000 students, registered on the eKelas portal, ensuring that they receive access to digital learning opportunities.

Number of students who registered with eKelas



Number of schools registered with eKelas



Our Value Creation Outcome 4: Caring for Our Community and Environment

Students benefit from free educational resources and co-curricular activities:

Enabling greater access to digital learning content	<ul style="list-style-type: none"> Through the eKelas portal and mobile app, students can access more than 3,000 bite-sized content including revision and learning videos, exam notes, reading materials and live tutorial sessions.
Helping to improve English language proficiency	<ul style="list-style-type: none"> Since 2019, eKelas has been recognised by the Ministry of Education under its Highly Immersive Programme (HIP), where eKelas students who participate in the HIP StoryFest English Competition can collect co-curricular marks which are included in their school certificate. The Competition aims to build students' confidence in speaking English and encourage the learning of English through fun activities. In 2022, more than 5,000 students participated in the HIP StoryFest Competition, over 50% more than the previous year.
Supporting STEM education and equipping students with digital skills	<ul style="list-style-type: none"> 'Misi Jelajah Digital', a nationwide STEM challenge in its second year, is aimed at nurturing students with critical thinking and digital skills. Students were provided with explanatory videos, notes and modules to learn coding and design basics as well as workshops and talks by STEM experts. Over 1,700 students participated in the competition in 2022.

"I find the eKelas portal and app to be very informative with plenty of lessons, and that includes information for general knowledge."

– Nurul Hanna Binti Mohd Saleh, a competition winner and student from SMK Sungai Besar, Selangor.

"The HIP Storyfest Competition is really interesting as it makes English storytelling and essay writing enjoyable. We hope that the content will be expanded to include subjects such as Computer Science and Pure Science too, in time."

– Ms. Chew Ann Phin, a teacher from SMK Sungai Besar, Selangor.

"The digital workshops are very beneficial for entrepreneurs in learning how to market and advertise their products to attract more customers. The modules were easy to understand, and I gained a lot of help on how to manage my business online."

– Noraini Azlan Binti Azmi, participant from Penang.

"I gained a lot of knowledge on how to attract and engage with customers better, as well as positioning my business on social media. I enjoyed the modules presented and thank the trainers for their guidance."

– Norul Suziyana Binti Sulong, participant from Terengganu.

EMPOWERING WOMEN ENTREPRENEURS THROUGH DIGITAL MARKETING SKILLS

Now in its second year, eKelas Usahawan continues to attract strong interest from micro-SMEs, particularly women entrepreneurs, in adopting digitalisation for their businesses. Since its launch in March 2021, the programme has trained over 2,400 local entrepreneurs via 39 workshops delivered both physically and virtually nationwide, with all-round positive feedback from participants. Some sessions were facilitated by Maxis' own volunteers.

eKelas Usahawan comprises a series of digital marketing workshops with a practical and hands-on approach to equipping entrepreneurs with basic digital marketing knowledge and skills. Modules focus on tips and basic adeptness in marketing and advertising for creative promotions through online and social media platforms, as well as digital photography for presentation and appeal.

In facilitating dedicated workshops, eKelas Usahawan collaborates with government agencies and NGOs to attract and help more entrepreneurs and SMEs to apply basic digital marketing knowledge and tools to their respective businesses. In 2022, the programme trained a total of 1,700 entrepreneurs.

SUPPORT FOR VULNERABLE COMMUNITIES

Festive Charity

Our outreach initiatives during festive seasons are anchored on community engagement and support for underserved and vulnerable groups. These include Persons with Disabilities, special needs individuals, senior citizens, B40 income earners and the homeless. By partnering with NGOs, we were able to bring festive cheer to various communities in need.

In 2022, Maxis reached out to various communities – from senior citizens and B40 individuals and families to students and single mothers – in conjunction with the four festive seasons of Chinese New Year, Hari Raya, Deepavali and Christmas. These communities benefitted from over 2,400 boxes of food aid and essential items, food vouchers, refurbished desktops and back-to-school packs that were contributed.

Our Value Creation Outcome 4: Caring for Our Community and Environment

Humanitarian Relief Initiatives

Our humanitarian relief priorities include assisting emergency services organisations with their connectivity requirements, restoring services to our customers and premises clean-ups during natural disasters. Where necessary, we provide temporary mobile base stations to boost coverage for emergency services or relief centres. For post-flood initiatives, we help our dealers restore their businesses and affected communities to rebuild their lives.

In preparation for the monsoon season that took place from November 2022 to March 2023 and as part of Maxis' SOP, our flood preparation and mitigation initiatives include:

- Stationing four boats in Pahang, Johor and Penang
- Flood mitigation simulation exercises with the relevant authorities
- Equipping all critical tower sites with power gensets.
- Hardening / raising 49 sites in historically flood-prone areas.
- Working with the Regulator, MCMC, on single channel usage to notify all State MCMC offices of flood-related outages.
- Setting up Virtual Command Center with key stakeholders.
- Identifying staff in flood-prone areas and ensuring sufficient resources to support business-as-usual operations.
- Implementing proactive radio upgrades to cater for traffic surges during the flood period.

Supporting the Community through Employee Volunteerism

Through our robust volunteerism programme, mSquad, we empower our employees to make a difference by giving them the opportunity to invest their time in community and humanitarian initiatives. This includes tapping into the energy of employees across the Company to engage with the community on the ground and provide training support or knowledge-sharing.

Volunteerism at Maxis	2020	2021	2022
Volunteering hours by employees	1,786	1,056 ²	1,355
Volunteering value ¹ (RM)	80,441	48,649	64,474

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

² Volunteer hours in 2021 comprised virtual volunteering as well as limited physical volunteering as we ensured strict compliance with the SOPs during the pandemic period.

We will continue to leverage digitalisation and technology to create meaningful impact on the lives of communities in which we operate.

OUR ENVIRONMENT

Minimised our environmental footprint through efficient emission and resource management

At Maxis, we are deeply concerned about climate change and fully aware of the need for mitigating action. To that end, we have continued to deploy initiatives that minimise our impact on the environment and closely monitor our business operations to address the impact of climate change on our activities.

Our immediate priorities are to improve the use energy and resources, and reduce GHG emissions, driven by Corporate Services and Network.

Key Initiatives at Base Stations

- Optimised energy usage at base stations by using intelligent inverter control and energy-efficient motors
- Replaced air-conditioning systems to a free cooling system at selected base stations
- Installed full off-grid solar systems in rural sites in Peninsular and East Malaysia to reduce dependence on energy supplied by generator sets and diesel
- Continued to retire 3G network equipment in line with the national agenda
- Optimised energy consumption and facilities by leveraging on MOCN (Multi Operator Core Network) technology for network sharing
- Optimised the use of energy at base stations by deploying highly efficient DC rectifier power systems



OUR ENERGY REDUCTION INITIATIVES

Our network and information technology infrastructure account for most of our energy consumption. We constantly look for ways to improve energy efficiency, particularly at our base stations and technical operation centres. Our equipment has been fine-tuned and optimised to efficiently reduce power consumption. We also make use of renewable energy e.g. solar power, at selected locations.

Key Initiatives at Technical Operation Centers (TOC):

- Modernised the Uninterruptible Power System (UPS) and DC Power Plant for Data and Switch Centres with a more energy-efficient and cleaner power supply
- Use of solar energy systems to power Data and Switch Centres with work completed at seven TOCs which is projected to supply approximately 10% of the total energy consumption of our TOC buildings
- Modernised administrative and office facilities with smart control and energy-efficient systems
- Upgraded air-conditioning systems with lower capacity and high efficiency units.
- Optimised use of equipment space, energy consumption and facilities by shutting down the KLCC TOC and legacy equipment in August 2022.



Our Value Creation Outcome 4: Caring for Our Community and Environment

Performance Data Trend

Energy Usage (MJ)

Our continuous efforts to improve energy efficiency have resulted in a minimal increase in energy usage (4.9%) at network sites in 2022 despite upgrades undergone to address increasing demand of 10% as compared to the previous year for data connectivity (traffic). This has resulted in lower GHG emissions as well as greater savings in terms of electricity cost.

Year	Network			Corporate Offices and Buildings	Customer Service and Retail Centres	Maxis Total
	Energy from Fuel and Gas Usage (MJ)	Energy from Electricity Purchased (MJ)	Subtotal Energy Consumption (MJ)	Energy from Electricity Purchased (MJ)	Energy from Electricity Purchased (MJ)	Total Energy Consumption (MJ)
2020	61,370,486	1,333,859,646	1,395,230,132	7,740,184	11,545,231	1,414,515,547
2021	63,777,824	1,345,102,198	1,408,880,022	5,295,597	10,771,106	1,424,946,725
2022	62,994,251	1,415,117,878	1,478,112,129	6,977,532	13,039,735	1,498,129,396

Notes:

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

Total Emissions at Maxis (CO₂ tonnes)

Year	2020	2021	2022
Scope 1 - Direct emissions e.g. from fuel and gas usage			
Network and Technology	4,578	4,756	4,695
SUB-TOTAL	4,578	4,756	4,695
Scope 2 - Indirect emissions e.g. from electricity consumption			
Network and Technology	200,215	205,751	217,395
Building Electricity Consumption (Corporate Offices and Buildings, Customer Service and Retail Centres)	2,969	2,489	3,114
SUB-TOTAL	203,184	208,240	220,510
Total Emission (CO ₂ tonnes)	207,762	212,996	225,205

Notes:

- In 2020 – 2021, the calculation of GHG emissions was mainly based on the payment amount for fuel and electricity
- In 2022, a change in methodology has been implemented in the calculation of GHG emissions, transitioning from payment amount to actual fuel consumption and electricity consumption for the majority of base stations



REUSING AND OPTIMISING OUR RESOURCES

Maxis is committed to reusing and recycling our equipment, integrating this throughout our organisation via our procurement process and network operations, including reusing parts for network maintenance. In 2022, our reuse and recycling rate increased by 27% compared to 2021.

Simultaneously, we are phasing out older-generation technologies and deploying new ones with higher energy efficiency. This transition, however, has generated an increase in waste as the end-of-life and obsolete equipment will have to be scrapped. We saw an increase in scrap in 2022 due to the phasing out of 3G Technology and Infra Equipment as part of our efforts to pave the way for our 5G network.

Our Value Creation Outcome 4: Caring for Our Community and Environment

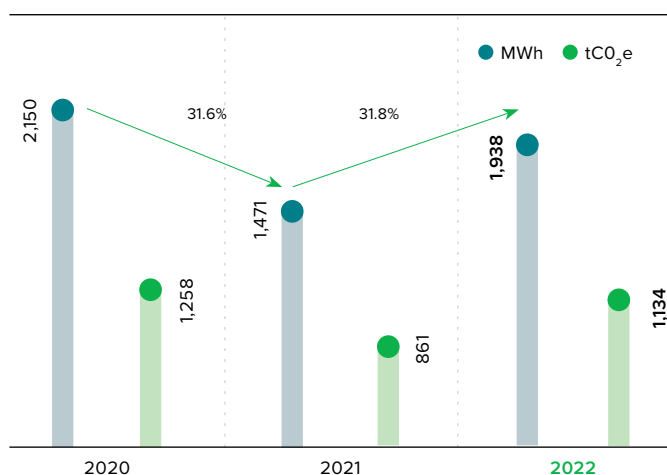
MINIMISING THE ENVIRONMENTAL IMPACT OF OUR MAIN CORPORATE OFFICES

In 2022, we saw a 31.8% year-on-year increase in power consumption, as compared to a power savings of 31.6% in 2021, mainly due to the return of staff to our offices. This has, in turn, seen a normalisation of power consumption habits. However, as we continue to maintain hybrid working arrangements, the energy use at our offices remains lower as compared to pre-pandemic levels.

Performance Data

Corporate Office Electricity Consumption

Total Corporate Office Electricity Power Consumption (MWh & tCO₂e)



Notes:

- Power consumption figures for Menara Maxis & Mapletree equipment warehouse in December 2022 were estimated
- There was a 31.8% increase in power consumption compared to savings of 31.6% in 2021. This was mainly due to the return to office exercise (increased staff numbers/strength, increased in operating hours at Pinnacle impacting lighting, small power, and air conditioning)

Office Waste Management

We are now in the seventh year of partnership with Pertubuhan Kebajikan Masyarakat Melalui Kitar Semula (CRC), a non-governmental organisation which collects recyclables from our main offices and deploys the funds generated therefrom to charitable activities. The recycling rate increased from 84% in 2021 to 89% in 2022, with total office recyclable waste increasing by 193% and recycled waste increasing by 209% as compared to 2021. This was mainly due to our staff returning to the office and partial resumption of office operations. We expect the volume of recyclable waste to return to pre-pandemic levels when all staff return to the office.

Total Office Recyclable Waste Generated and Recycled (kg)

Year	2020	2021	2022
Total recyclable waste generated (kg)	515	101	296
Total waste recycled (kg)	442	85	263

In 2022, our paper consumption at our Peninsular Malaysia Maxis offices increased by 22.5% compared to 2021. This was due to staff returning to the office and the partial resumption of office operations. However, paper usage was still lower compared to pre-pandemic levels in 2019. We expect paper usage to increase upon the full resumption of staff returning to the office.

Total Paper Usage (Reams)

Year	2020	2021	2022
Total reams used	3,605	2,375	2,909

OUTLOOK

Maxis is fully aware of the high cost exacted by climate change and is committed to doing our utmost to reduce our emissions. Malaysia has similarly set its sights on an ambitious target of becoming a net zero country by 2050. In support of this laudable national goal, we continue to establish systems and policies to monitor our environmental impact. Establishing this baseline will create a solid platform for us to identify concrete environmental goals going forward into the future and allow us to identify opportunities for us to further reduce emissions.

Our Value Creation Outcome 5: Embedding Responsible Business Practices

Mapping
against
SDGs



OUR INTEGRITY & GOVERNANCE

Upheld ethical business practices through robust integrity governance

Maxis has a zero-tolerance policy against bribery and corruption and is committed to the highest ethical standards and compliance with anti-corruption local laws, regulations and policies. Our Integrity and Governance Unit (IGU) implements, monitors, strengthens, and evaluates anti-corruption controls in Maxis through the Maxis Integrity & Compliance framework (MICF) and Anti-Money Laundering/Countering Financial Terrorism (AML/CFT) framework.

Maxis developed the MICF by adhering to T.R.U.S.T Principles to promote integrity and compliance within the Group while protecting against corporate liability. The MICF includes the MABC System, an anti-bribery management system complying with ISO37001:2016 Anti-Bribery Management (ABMS) requirements, and subject to periodic reviews.

MAXIS ANTI-BRIBERY MANAGEMENT (MABC) SYSTEM

Maxis effectively implements the MABC System across the organisation, governing the ethical conduct of its directors, employees and representatives. This system strictly prohibits bribery, money laundering, sponsorships, donations, and facilitation payments in all business transactions.

Number of employees who were disciplined or dismissed due to non-compliance with MABC Policies*

2020	2021	2022
0	18	2

* All non-compliances with and violations of the MABC System will lead to consequential management.

CORRUPTION RISK MANAGEMENT (CRM)

Maxis uses a CRM approach to address Group-wide bribery risks, which includes assessing related risks, policies and procedures, and implementing anti-bribery controls. The CRM process also identifies structural weaknesses that may lead to corruption, and staff participation is encouraged in identifying risk factors and mitigations.

Percentage of operations assessed for corruption-related risks

	2020	2021	2022
Total number of operations (divisions)	11	11	11
Total number of operations assessed for corruption-related risks (divisions)	11	11	11
Percentage of operations assessed for corruption-related risks (%)	100%	100%	100%

STRONG CULTURE OF INTEGRITY

To reinforce a strong ethical culture, we ensure that all employees participate in mandatory training programmes on Maxis' Code of Business Practice (CoBP) and Anti-Bribery and Corruption policies.

Number of employees who received training on Maxis' CoBP via Maxis Academy*

Year	2020	2021	2022
Total	5,219	5,379	5,473

Our Value Creation Outcome 5: Embedding Responsible Business Practices

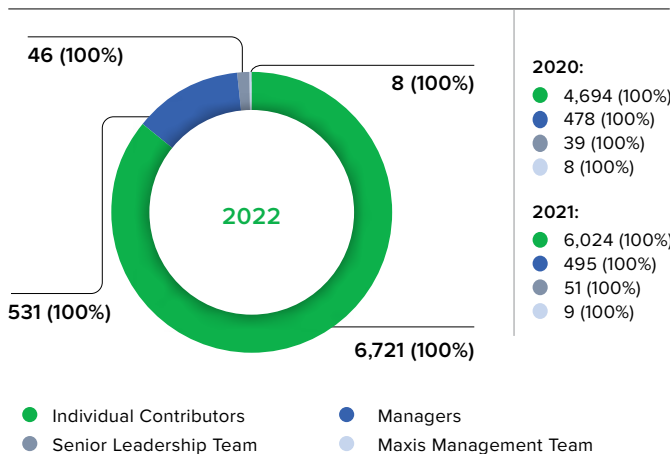
Number of employees who received training related to Anti-Corruption and Bribery

Year	2020	2021	2022
Total	5,219	6,579	7,306

Note:

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

Percentage of employees who received training on Anti-Corruption and Bribery by Employee Category



RECOGNITION OF MAXIS' COMMITMENT TO INTEGRITY AND GOVERNANCE

Maxis was awarded multiple ISO 37001:2016 ABMS certifications by SIRIM QAS International and IQNET (International Certification Network) in November 2022. This achievement is a testament to Maxis' steadfast commitment to conducting business with the highest levels of integrity and governance, in line with our Sustainability Strategy.

MAXIS INTEGRITY CORPORATE ADVOCACY PROGRAMME (MICAP)

In December 2022, Maxis celebrated International Anti-Corruption Day as part of its MICAP initiative, hosting a webinar on the theme 'Building A World United Against Corruption'. This webinar was held in collaboration with the Association of Certified Integrity Officer Malaysia (ACEIO), MACC and Inland Revenue Board of Malaysia (IRBM). The webinar, attended by approximately 500 participants including Maxis employees, Compliance Champions, and Integrity Officers, featured panel discussions on 'Corporate Liability: Keys to Corruption-free Business in Malaysia' and 'Corruption Prevention Activities Through Tax Incentives: Benefits for Commercial Organisations'. We also shared Maxis' Integrity Journey with all participants, advocating our stance against bribery and corruption and our compliance with ISO 37001:2016 ABMS.

OUR SUPPLY CHAIN

Improved supply chain management with responsible procurement

RESPONSIBLE PROCUREMENT PRACTICES

Maxis strives to protect our brand's reputation with responsible procurement practices through robust risk management to identify gaps. As such, Maxis is governed by robust policies and procedures that provide guidelines in the process of sourcing, vendor selection, assessment and performance-monitoring of our suppliers.

As part of our commitment to ethical procurement practices, we assess and select suppliers based on their compliance with our technical and commercial requirements that align with Maxis' standards. This approach promotes healthy supplier competition, as procurement is based on suppliers' capability and experience, creating growth opportunities for new businesses.

Our potential suppliers are required to go through our vendor onboarding process, due diligence evaluation and submission of business and financial documentation for assessment and the signing of our MCOBP.

OPTIMISING SUPPLIER MANAGEMENT

We strive to ensure our suppliers meet and exceed our expectations in terms of quality, delivery and cost. We

do this by assessing our suppliers' performance, setting expectations for quality and delivery and maintaining good relationships with our suppliers.

In addition, our MCOBP contains guidelines that enable third parties to conform to the business conduct that is adopted by Maxis in all our business transactions with third parties. This means that third parties who conduct business with the Group must read, understand and pledge to comply with the MCOBP upon commencing work with the Group. We also have an annual Vendor Integrity Programme conducted by Maxis' IGU which increases awareness of our zero-tolerance for bribery and corruption among external parties.

Third Party Training on Anti-Bribery and Corruption

Year	2021	2022
Vendor Integrity Programme	8 sessions	14 sessions

Our Vendor Management team also carries out regular assessments on key suppliers to assess vendor performance, identify improvements and ensure corrective actions are implemented. Apart from that, existing suppliers are required to acknowledge the MCOBP on an annual basis.

Our Value Creation Outcome 5: Embedding Responsible Business Practices

We make every effort to provide timely delivery and sufficient supplies through constant communication with our suppliers, advance planning on business needs and, exploring and securing alternative supplies when necessary. We have improved our processes and technology tools in our Source to Contract framework, which allows online supplier interaction throughout onboarding, tendering and contracting, to ensure transparency and facilitate proper audit trials.

OUTLOOK

In our efforts to improve supply chain management, Maxis will continue to leverage technology and automation to provide the procurement team with better insights and understanding regarding spend patterns and trends. We are also committed to creating an efficient Supplier Relationship Management Framework to standardise our vendors' roles and responsibilities, ensuring successful partnerships and consistent delivery of quality products and services. Maxis will continue to strive for efficiency while maintaining strict controls and oversight. Furthermore, we will continually optimise our expenditure on low-spend, low-volume suppliers.

In the medium term, we aim to empower employees and drive greater productivity through AI and predictive technology. We will also move towards strategic partnerships with suppliers to establish closer relationships and enable further discussions on performance, issues and value-adding activities.

Our Priorities

Our priorities within the next one to two years:

- Automation and digitalisation, such as chatbots and spend analytics. Process simplification through technology enablement and data to provide greater knowledge and insights.
- Establishing a framework for Supplier Relationship Management that is efficient, with defined roles and responsibilities, including risk management. To enhance contractual benefits and minimise opportunity loss, strategic contracts and suppliers are monitored in a standardised manner.
- Ongoing process improvements with zero tolerance for misconduct. We will maintain controls and have good governance in place while balancing the requirements for more efficient procedures to meet current business needs.
- Conduct a review of long-tail spend to identify cost optimisation opportunities, increase resource productivity, improve compliance and reduce risks.

Our medium-term plans over the next two to five years:

- AI and predictive technology enablement (extreme automation) through which administrative tasks will be reduced, allowing workers to focus on more strategic initiatives.
- Moving towards strategic category and supplier management, with channels established to address performance, challenges and value-added activities such as innovation and sustainability.

OUR CYBERSECURITY

Strengthened cybersecurity to support digital transformation, ensuring cyber resiliency and responsible digital citizenship

As technology continues to advance and businesses become more digital, the risk of cybersecurity threats becomes increasingly prevalent. With customer data at stake, protecting our network and ensuring the security of customer information is a key priority. We continue to focus on a holistic approach in addressing these risks through our three strategic cybersecurity pillars: Protecting the Brand and Ensuring Compliance; Embedding Security in DNA; and Strengthening Cyber Resilience and Supporting Digitalisation. By taking a comprehensive approach to cybersecurity, we are able to Always Be Ahead™ of threats and do our best to ensure our network, applications and customers' data remain secure.

2022 AND OUR COMMITMENT TO CONTINUOUS IMPROVEMENT



As part of our holistic approach, Maxis has attained several significant milestones to demonstrate our commitment to cybersecurity. Maxis is the first telecommunications provider in Malaysia to achieve ISO 27001 certification for our cloud infrastructure, audited by SIRIM. This accomplishment signifies that we have established a robust information security management system (ISMS) to safeguard our

Our Value Creation Outcome 5: Embedding Responsible Business Practices

cloud infrastructure and services. Notably, our ISO 27001 certification extends beyond our cloud infrastructure and also covers our Voice and Data Networks, Enterprise Managed Services and Data Centres giving Maxis customers the confidence that the Maxis Network is secure and that their data is being managed and stored securely in compliance with global standards.

PROTECTING OUR BRAND AND ENSURING COMPLIANCE

We recognise the importance of protecting our brand and reputation from cyber threats and have implemented various measures to achieve this goal. We invest in the latest technologies and processes to protect against cybersecurity attacks in areas such as data protection, cloud infrastructure, IoT, telecommunication and network security infrastructure. We are also implementing a partner or vendor risk management programme to assess the cybersecurity posture of selected vendors and suppliers. This helps us identify potential cyber risks in our supply chain and take proactive measures to mitigate them.

Maxis has also adopted a zero-trust security strategy that will be rolled out in phases that assumes all users and devices are untrusted and need to be verified before being granted access to resources. This approach minimises the risk of unauthorised access to sensitive data and applications. Additionally, our cybersecurity team takes an active role in participating in cybersecurity forums organised by regulators such as MTSFB and government agencies such as NACSA and MCMC to provide input on privacy and cybersecurity laws and regulations.

EMBEDDING SECURITY IN OUR DNA

Maxis recognises that cybersecurity is a shared responsibility and that our employees and partners play a critical role in protecting the Group's assets and reputation. To this end, Maxis provides cybersecurity training to employees and partners, and collaborates with vendors and/or academic institutions to develop cybersecurity training programmes. This approach not only helps to build a security-focused culture, but also helps to address the shortage of cybersecurity talent in the industry.

Maxis also partners with leading cloud service providers, such as Amazon Web Services (AWS), Google Cloud Platform (GCP) and Microsoft, to strengthen our technology stack and ensure that our cloud infrastructure is secure and compliant. These partnerships enable Maxis to leverage the expertise and resources of these cloud providers to build resilient and scalable cloud services that meet the needs of its customers.

STRENGTHENING CYBER RESILIENCE AND SUPPORTING DIGITALISATION

We take a comprehensive approach in addressing cybersecurity risks as part of our digitalisation programmes. This includes embedding security in the design and

implementation of all our products and services, including our network and our systems, as well as our people, for the benefit of our customers. We incorporate security assessments and testing at each stage of our development and also experiment with new technologies such as AI and ML to proactively identify and respond to potential security threats. Additionally, our partnerships with leading technology providers, such as CrowdStrike, Mandiant, Saviynt, Palo Alto, Splunk, Darktrace, Veracode, Tenable, Imperva, ServiceNow, AWS, Google Cloud and Microsoft, ensure that our digitalisation programmes are built on secure and trusted platforms. Through these efforts, we strive to enable digital transformation while maintaining the highest levels of security and resilience.

To ensure cyber resilience, secure our network and protect our customers' data, Maxis works with teams of internal and external partners. These teams are responsible for continuously testing, assessing vulnerabilities and proactively hunting for potential threats. Maxis has implemented various security measures such as breach and attack simulation tools, DevSecOps application security assessment tools and/or SOC automation tools. Additionally, we conduct regular audits, vulnerability assessments and penetration testing to identify weaknesses in our systems and mobile network and telecommunications infrastructure. Through these proactive measures, Maxis remains committed to mitigating cyber threats and maintaining our position as Malaysia's leading converged solutions provider.

OUTLOOK

Our long-term goal is to establish a fully automated, cyber resilient organisation that can withstand cyber incidents with minimal impact to business operations. We ensure the security and trustworthiness of our network, digital touchpoints, systems, infrastructure and data stores through a zero-trust architecture and a security-by-design approach. Our products, services and offerings all integrate cybersecurity measures, and we promote a shared responsibility model among our employees and partners. Compliance is also continually assessed, tracked and reported where we work closely with our regulators and the Government to ensure that our customers and Malaysia's critical infrastructure remain safe and secure.

To achieve this goal, we prioritise investments in key technologies for network security, data protection, cloud security, application security, IoT security and 5G security. We also have a strong risk management programme that regularly assesses organisational and partner cybersecurity risks. We empower our employees with digital literacy skills, including cybersecurity, to ensure appropriate implementation of cybersecurity controls across the organisation.

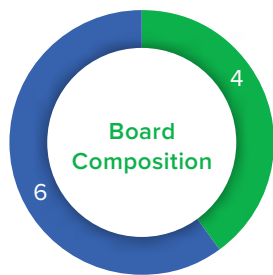
Accelerate
**Digital
Transformation**

to keep your business stay connected and
protected in all ways

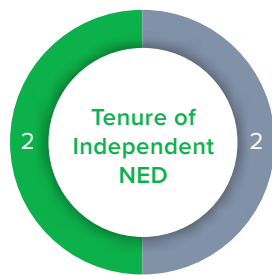


ATMOSPHERE

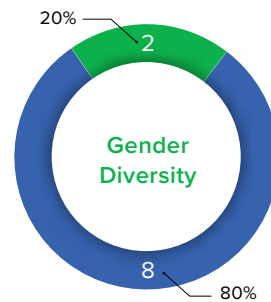
Board At A Glance



- Independent Non-Executive Directors
- Non-Executive Directors



- 0-8 years
- >8 years



- Male
- Female



- Finance & Accounting
- Engineering
- Law
- Business

Board Composition

Audit and Risk Committee (ARC)

Chairman

Uthaya Kumar A/L K Vivekananda

Members

- Dato' Hamidah Naziadin
- Alvin Michael Hew Thai Kheam
- Ooi Huey Tyng
- Mohammed Abdullah K. Alharbi

Remuneration Committee (RC)

Chairman

Dato' Hamidah Naziadin

Members

- Alvin Michael Hew Thai Kheam
- Ooi Huey Tyng
- Mazen Ahmed M. AlJubeir
- Lim Ghee Keong

Nomination Committee (NC)

Chairman

Dato' Hamidah Naziadin

Members

- Tan Sri Mokhzani Bin Mahathir
- Alvin Michael Hew Thai Kheam
- Uthaya Kumar A/L K Vivekananda
- Mazen Ahmed M. AlJubeir

Transformation Committee (TC)

Chairman

Alvin Michael Hew Thai Kheam

Members

- Ooi Huey Tyng
- Abdulaziz Abdullah M. Alghamdi
- Lim Ghee Keong

Government and Regulatory Affairs Committee (GRAC)

Chairman

Tan Sri Mokhzani Bin Mahathir

Members

- Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda
- Uthaya Kumar A/L K Vivekananda
- Lim Ghee Keong

Share Issuance Committee (SIC)

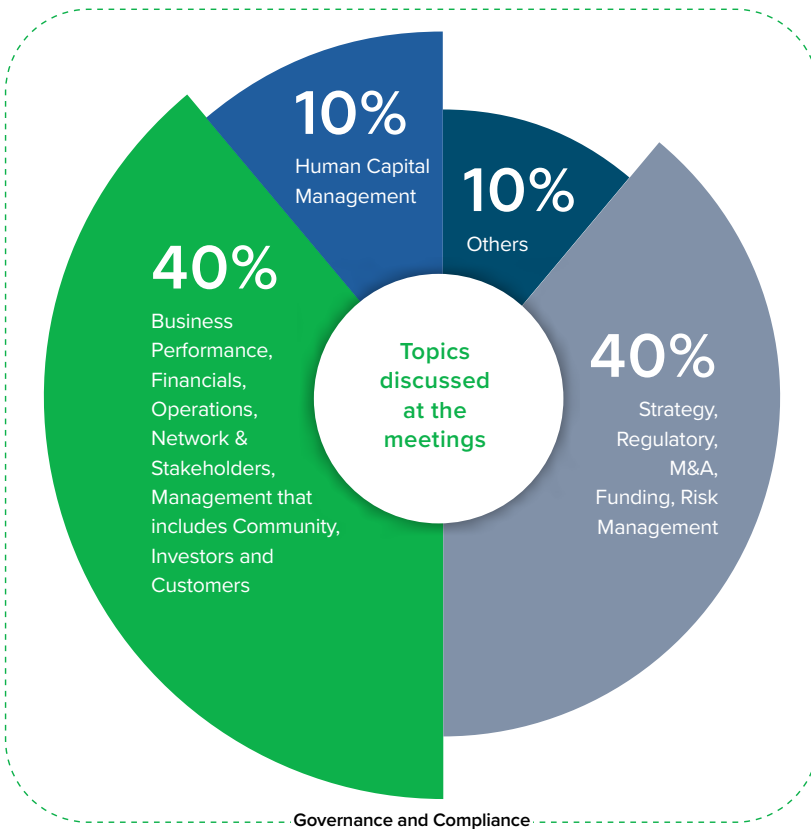
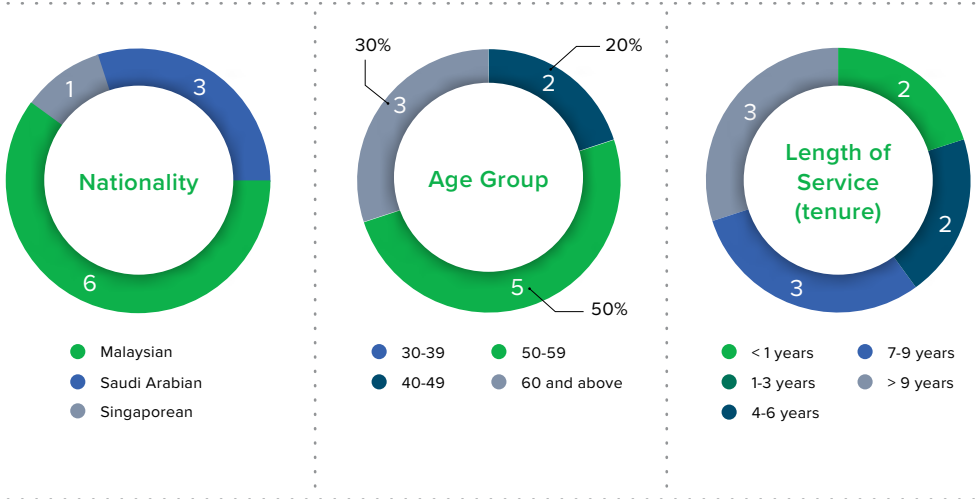
Chairman

Tan Sri Mokhzani Bin Mahathir

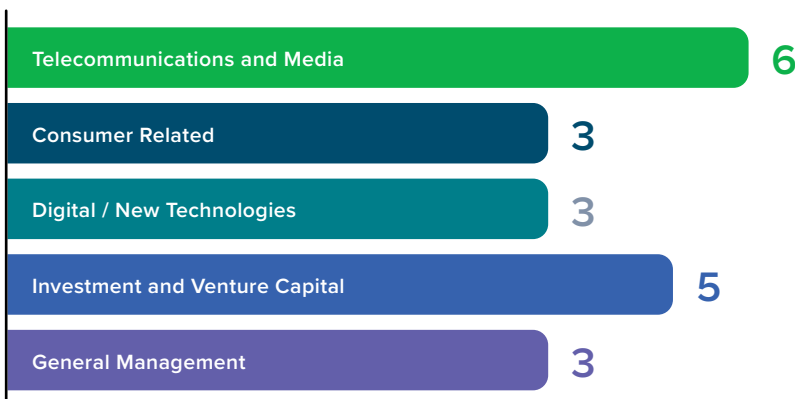
Members

- Abdulaziz Abdullah M. Alghamdi
- Lim Ghee Keong

Board At A Glance



Skills and Experience



TOTAL BOARD & BOARD COMMITTEES MEETINGS	
Board	8
ARC	5
NC	4
RC	8
TC	4
GRAC	6

Corporate Governance Overview

CORPORATE GOVERNANCE APPROACH

The Board sets the tone at the top for Maxis' corporate governance practices and its application to the Maxis Group. The Board's commitment to corporate governance practices and applicable policies and procedures within Maxis are fundamental to sustain the Group as a leading converged solutions provider in the ever changing regulatory and market environment.

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

- i. Corporate Governance Report, that details application of each Practice set out in the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is made available on Maxis' corporate website, <https://maxis.listedcompany.com/ar2022.html> together with an announcement of the same on the website of Bursa Malaysia Securities Berhad (Bursa Securities).
- ii. other statements in this Integrated Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Committee (ARC) Report, as well as Statement of the Nomination Committee (NC)).

The CGOS and the Corporate Governance Report are made pursuant to paragraph 15.25 of the Main Market Listing Requirements of Bursa Securities (MMLR). The CGOS and Corporate Governance Report were approved by the Board on 22 March 2023.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES FOR 2022

Maxis has evaluated its practices across the three (3) principles of MCCG. Maxis has consistently applied all the Practices espoused by the MCCG for the financial year ended 31 December 2022, save for the following departures:

- Practice 1.4 (Board Chairman should not be a member of a Board Committee);
- Practice 4.2 (Sustainability strategies, priorities, targets, and performance against these targets are communicated to internal and external stakeholders);
- Practice 5.2 (Board comprises a majority Independent Directors);
- Practice 5.3 (Tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years);

- Practice 5.9 (Presence of at least 30% women Directors on the Board); and
- Practice 8.2 (Disclosure on a named basis of top five (5) Senior Management personnel's remuneration).

The Board has provided disclosures on the alternative measures which would to a large extent attain similar outcomes to that of the Intended Outcomes envisaged by the MCCG. The explanations on the departures and supplements with disclosure on the alternative practices are contained in the Corporate Governance Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD GOVERNANCE AND BOARD RESPONSIBILITIES

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

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

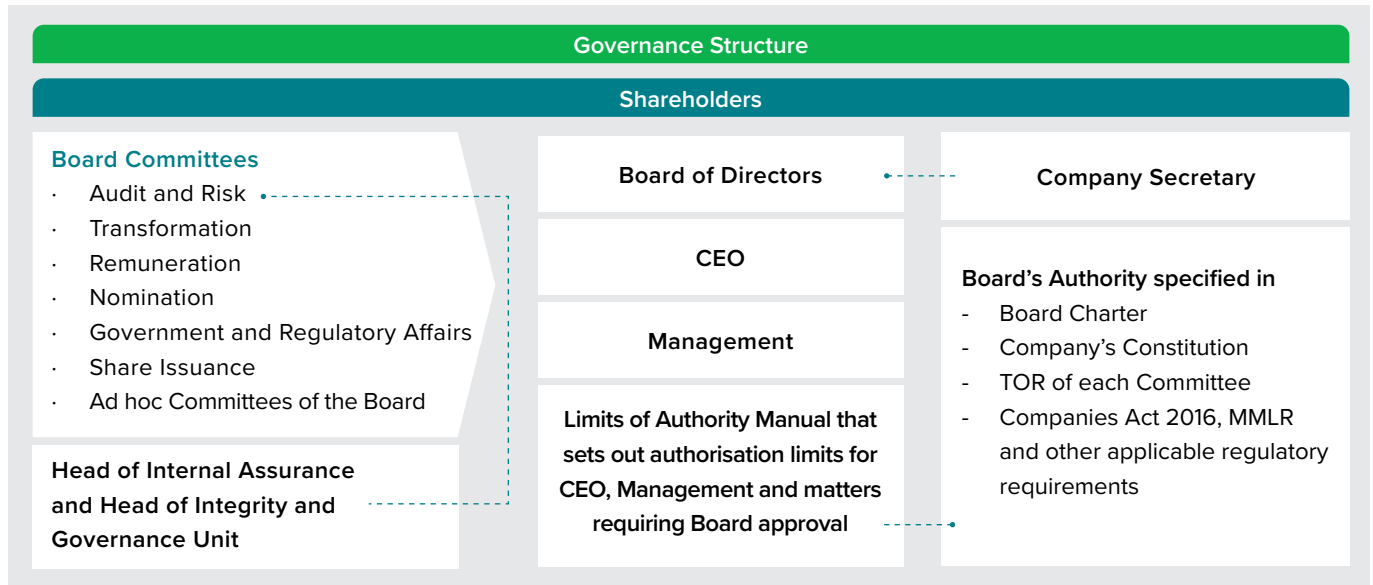
Corporate Governance Overview

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established six (6) Board Committees, as illustrated below. The Board Committees are guided by their respective TOR in discharging their duties, which is made available on Maxis' website at https://maxis.listedcompany.com/corporate_governance.html. The Board retains collective oversight over the Board Committees and is regularly apprised on the proceedings of these Committees by the Board Committee Chairmen. Any recommendations would be subsequently reported to the Board for approval. The Minutes of the Committee meetings are accessible to all Directors.



For further details, please see the 'Board Committees' section at pages 67 to 69.

The Board Governance structure is illustrated below:



The Board Charter details key matters reserved for the Board, inter alia, financial results, dividends, approval of strategy, the annual operating plans, budgets, new major ventures, acquisitions and disposals, changes to management and control structure, appointments of Board members, Committee members, CEO and Company Secretary. It further sets out the roles and responsibilities of the Board, the Chairman, CEO, Senior Independent Director and Company Secretary, and any other material matters. The Board Charter was last reviewed and approved by the Board in March 2022. The Board Charter can be found on Maxis' website at: https://maxis.listedcompany.com/corporate_governance.html

BOARD AND BOARD COMMITTEE ACTIVITIES

The Board discharges its responsibilities through an annual programme of Board and Board Committee meetings, and via circular resolutions in between these meetings. Board papers and presentation materials circulated to the Board and Board Committees are designed to facilitate effective decision making, by categorising the agenda items as 'Updates', 'Review' and 'Decision'. In 2022, the Board met eight (8) times to review, deliberate and approve, amongst others, the following:

Strategy, Regulatory, Mergers and Acquisitions (M&A), Funding, Risk Management

- Risk appetite and assessments
- Long Range Plan (LRP) and strategy, including MAX Plan
- Related party transactions
- Budget and Annual Operating Plan (AOP) for 2023
- Strategy planning, key priorities, and emerging opportunities and issues
- Regulatory policies and strategy
- Cashflow and funding requirements
- Corporate sustainability
- Proposed 5G matters

Corporate Governance Overview

Business Performance, Financials, Operations, Network & Stakeholder Management

- Business performance and operations
- Customer service and consumer insights
- Network and Information Technology systems and security
- Risk management and internal controls
- Key performance indicators and scenario analysis
- Forecast and planning on business operations
- Environmental, Social and Governance (ESG) strategies and initiatives
- Quarterly financial results and audited financial statements
- Proposed dividends
- Investor relations briefing, shareholding analysis, investors engagement plans and feedback from investor engagements

Human Capital Management

- Employee related matters and the policies and procedures as well as business continuity policies
- Employee wellbeing initiatives
- Organisational structure
- Appointment of key management position [CEO, Chief Financial Officer (CFO)]
- Updates on personnel movements
- Employee engagement
- Succession planning
- Talent and retention management
- Employee bonus and salary structures

Governance, Compliance and Others

- Annual General Meeting (AGM), Integrated Annual Report, Corporate Governance Report and Circular to Shareholders for recurrent related party transactions
- Directorship matters that included appointment of new Directors, AGM resolutions on re-election and extension of independence of Directors
- Outcome of the Board Effectiveness Evaluation (BEE), and actions including training needs
- Cybersecurity, data protection and anti-bribery and corruption
- Compliance with the Guidelines of the Securities Commission for directors of PLCs and subsidiaries
- Corporate structure and overall composition of Maxis Group
- Declarations of conflicts of interests, Section 219 Companies Act 2016 notifications, dealings in shares by directors and principal officers notifications pursuant to Chapter 14 MMLR
- Board Charter and TOR of Board Committees
- Announcements to Bursa Securities

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

Audit and Risk Committee

No. of meetings held during the year: 5 meetings

Key Discussion Topics

- Financial Performance Review, Reports on Provisions, Judgmental Items, Quarterly Financials, Audited Financial Statements, Draft Announcement to Bursa Securities and Funding and Financial updates
- Review of external auditors report and findings for each quarter
- Enterprise Risk Management
- Internal Assurance reports, key findings, recommendations, and investigations
- Occupational Health and Safety Matters
- Code of Business Practice
- Cyber Security and updates on Network and Systems and Information Security Review
- Data Privacy and Protection
- Quarterly updates on regulatory, legislation, material litigation, revenue assurance and fraud
- Related party transactions and conflicts of interest situations for both Internal Assurance and External Auditors respectively
- Review of the ARC's procedures and processes for related party transactions
- Maxis Anti-Bribery and Corruption (MABC) system
- Sustainability Strategy
- Review of ARC's TOR
- Audit Plans of the external and internal auditors respectively



For further information on the ARC, kindly refer to the Audit and Risk Committee Report

Corporate Governance Overview

Remuneration Committee

No. of meetings held during the year: 8 meetings

Key Discussion Topics

- Annual Operating Plan for People and Organisation
- Organisation structure and Maxis Management Team (MMT) appointments
- Long Term and Short-Term Incentives
- Inclusion & Diversity, Culture and MaxisWay initiatives
- Key talents, succession planning and overall talent management
- Performance and remuneration including annual salary and bonus for employees and the CEO
- Learning and development
- Scholarship Scheme

Nomination Committee

No. of meetings held during the year: 4 meetings

Key Discussion Topics

- Board and Board Committees Composition of the Maxis Group with emphasis on the size, skills, independence, and diversity
- Director's Independence
- Director's re-election and review of independence
- Director's fees and benefits
- Board Effectiveness Evaluation assessment including action plans, areas for improvement, and review of training and development needs of the Board
- Review of the ARC's Terms of Office in accordance with paragraph 15.20 of the MMLR
- MCCG and governance matters
- Policy on Non-Executive Directors' Remuneration, Expenses and Reimbursement and Mobile Device Policy
- Review and adoption of Fit and Proper Policy



For further information on the NC, kindly refer to the Statement of the Nomination Committee

Transformation Committee

No. of meetings held during the year: 4 meetings

Key Discussion Topics

- IT and Digital Transformation
- Innovation
- Maxis' Strategic Ventures and Services
- Strategic and Structural Options
- Enterprise Business and M&As
- Strategy and emerging issues updates

Government and Regulatory Affairs Committee

No. of meetings held during the year: 6 meetings

Key Discussion Topics

- Regulatory matters
- Strategy business matters
- Government engagement/ relations matters

Notes:

The responsibility of the Share Issuance Committee is to review any issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016 as well as shareholders' mandate as obtained at the AGM each year. The Share Issuance Committee did not meet as there were no issuance of Maxis' shares during the year 2022.

The Board is also supported by ad-hoc operational and governance committees that are formed from time to time.

BOARD COMPOSITION

The Board comprises ten (10) Directors with diverse skills and experiences, of whom 40% (4 out of 10) are Independent Non-Executive Directors.



Director's profiles are set out on pages 4 to 8 of this Integrated Annual Report while the Board Composition overview can be found on pages 64 to 65.

The Board considers that its composition and size are adequate for carrying out its functions and responsibilities effectively. With its diverse qualifications, expertise, and skills, as well as the governance structure of the Board Committees and Board, the Board has been able to provide clear and effective leadership to the Group, as well as

informed and independent judgment of the Group's strategy and performance, to ensure the highest standards of conduct and integrity are always at the core of the Group's undertakings. None of the Non-Executive Directors are involved in the Group's day-to-day management.

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

Corporate Governance Overview

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



Details of the independence assessment are available on pages 75 to 78 of the Statement of the Nomination Committee.

BOARD APPOINTMENTS

The NC makes independent recommendations for selection and appointments to the Board, based on criteria which they develop, maintain and review based on applicable laws and regulations. The NC may consider the use of external consultants in the identification of potential directors. Please refer to the NC Statement on pages 75 to 78 for further details.

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

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

COMPANY SECRETARY

The Board is supported by the Company Secretary who provides advisory services, particularly on applicable governance best practices, corporate administration, and Board processes to facilitate overall compliance with the MMLR, Companies Act 2016 and applicable laws and regulations. The Board members have full access to the Company Secretary. The Company Secretary ensures that the Directors are provided with sufficient information and time to prepare for Board and/or Committee meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings. The Company Secretary also prepares the minutes of meetings in a timely manner and informs management of the action items and facilitates requests from the Board.

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

Please refer to the profile of the Company Secretary on page 219.

INDUCTION AND SUCCESSION PLANNING

A comprehensive on-boarding programme has been established to ease new Directors into their new role and to assist them in understanding the Group's business strategy and operations. The two (2) new Directors, Uthaya Kumar A/L K Vivekananda and Ooi Huey Tyng received an induction tailored to their individual requirements as directors and familiarisation programmes that are relevant to their respective Committees memberships.

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

BOARD EFFECTIVENESS EVALUATION

The Board undertakes an annual evaluation to determine the effectiveness of the Board, its Board Committees, and each individual Director. During the financial year under review, the NC undertook the following:

- Oversaw the methodology, conduct and outcome of the BEE exercise carried out for the financial year, which includes assessment of the Board, Board Committees, individual Directors as well as Independent Directors' Assessments.
- Evaluated the BEE results which includes overall strengths of the Board, areas of improvement and training requirements.
- Key focus areas of the BEE results were communicated to the Board which includes the ongoing developments of the Board, structure of Board and Board Committee meetings as well as Board and Board Committee meeting agendas and materials.
- Assessed the Directors based on the MABC as well as the relevant authoritative corporate governance promulgations including MMLR, MCCG, Guidelines on Conduct of Directors of Listed Corporation and their Subsidiaries by Securities Commission and Maxis Fit and Proper Policy.

Corporate Governance Overview

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

The BEE exercise identified:

Key strengths of the Board

- Collective strength and skills of the Board.
- Led by Chairman who encourages robust discussions and challenges in making informed decisions that reflect the Board's consensus in the best interests of Maxis.
- Healthy working relationship between each of the Board, CEO, CFO and MMT.
- Good team dynamics amongst Directors to openly express, challenge and debate issues.

Areas for improvement

- Continuous efforts on succession planning and diversity for the Board.
- Enhancement of expertise on digital transformation with continuous updates on trends and cybersecurity within the communications sector.
- Industry best practices on sustainability and ESG discussions at the Board to be in line with MCCG.

TRAINING AND DEVELOPMENT OF DIRECTORS

Paragraph 15.08 and Practice Note 5 of MMLR

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

Amongst others, the Directors of the Company, attended various training Anti-Money Laundering (AML) / Counter Financing of Terrorism (CFT), fraud training, cyber security, sustainability and ESG, governance matters and operational matters. In addition, there were visits to Maxis' centres and operations as part of the Directors' development needs.

The external auditors provide regular updates to the Board on industry related operational, technology, financial, regulatory and governance developments. Prior to each Board Meeting, the Directors receive detailed papers that comprises information and background materials relevant to matters on the Agenda. The information includes details on the Group's operations, customers, competition, industry, financials, risk assessments, and technological developments as well as legal and regulatory updates.

REMUNERATION

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

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

The detailed disclosure of the remuneration of individual Directors is disclosed in the Company's Corporate Governance Report under Practice 8.1.

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

Corporate Governance Overview

The aggregate emoluments received by the Directors of the Company during the financial year ended 31 December 2022 are as stated in the following table:

Name of Directors	Company ('000)		Group ('000)		Total Amount ('000)
	Fees	Others	Fees	Others	RM
	RM	RM	RM	RM	
Tan Sri Mokhzani bin Mahathir	477	-	-	-	477
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	277	-	-	-	277
Dato' Hamidah Naziadin	390	-	-	-	390
Alvin Michael Hew Thai Kheam	460	-	-	-	460
Mohammed Abdullah K. Alharbi	300	-	-	-	300
Mazen Ahmed M. AlJubeir	316	-	-	-	316
Abdulaziz Abdullah M. Alghamdi	300	-	-	-	300
Lim Ghee Keong	340	-	-	-	340
Uthaya Kumar A/L K Vivekananda (appointed on 30 March 2022)	281	-	-	-	281
Ooi Huey Tyng (appointed on 30 March 2022)	261	-	-	-	261
Robert Alan Nason (resigned on 30 June 2022)	220	-	-	-	220

Notes:

Save as disclosed above, no other remuneration has been paid to the Directors by the Company and/or its subsidiaries. Please refer to page 141 of the Integrated Annual Report 2022

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK COMMITTEE

Maxis' Audit and Risk Committee comprises majority Independent Directors.

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

The ARC places great emphasis on the evaluation of the suitability, objectivity, and independence of the external auditors in providing transparent reports to the shareholders. Accordingly, the ARC is guided by Maxis' External Audit Independence Policy (EAIP) to assess the external auditors' independence. The Committee also reviewed the annual assessment conducted on the effectiveness of the external auditors which covered eight (8) categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees. The ARC is also guided by the requirements as set out in paragraph 15.21 of the MMLR in considering the annual assessment on the suitability, objectivity, and independence of the external auditors. As specified in the Board Charter and TOR of the NC, the ARC shall not appoint a former partner of the external audit firm as its member unless a cooling-off period of at least three (3) years has been observed prior to the appointment.

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

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



Further details of the ARC are explained in the ARC Report on pages 79 to 83 of this Integrated Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

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



Further information on the Maxis' risk management and internal control framework is made available in the Statement on Risk Management and Internal Control furnished on pages 84 to 89 of this Integrated Annual Report.

Corporate Governance Overview

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

COMMUNICATION WITH STAKEHOLDERS

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

Channels of Communication:

- (i) Integrated Annual Report made available on Maxis' website covering financial and non-financial performance for the financial year;
- (ii) Maxis' corporate website: www.maxis.com.my;
- (iii) announcements on Bursa Securities' website;
- (iv) briefing sessions, roadshows, and investor conferences; and
- (v) media releases.

Please also refer to the Key Stakeholders Engagement section on pages 23 to 24 of this Integrated Annual Report. Maxis has provided the relevant contact details for queries and/or concerns regarding the Group under the Corporate Information section.

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

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

CONDUCT OF GENERAL MEETINGS

The AGM and general meetings serve as the principal avenue for shareholders to engage the Board and Management in a constructive two-way dialogue. Shareholders are encouraged to actively participate in discussions on proposed resolutions and future developments of the Group, as well as provide feedback on performance.

During the financial year, a fully virtual AGM was held on 28 April 2022 in accordance with promulgations as contained within the MCCG and Securities Commission Malaysia's Guidance on the Conduct of General Meetings for Listed Issuers. All eleven (11) members of the Board were present at the AGM, with nine (9) Directors attending physically and remaining two (2) Directors attending virtually via the remote platform. The Chairman, CEO, Chief Financial & Strategy Officer, Company Secretary, external auditors and key essential individuals were physically present at the AGM venue. The AGM utilised technology and virtual platforms, that allowed the participation of shareholders at the AGM, and included answering questions from shareholders. Maxis posted the summary of the AGM and the Questions and Answers (Key Matters Discussed) on Maxis' website in accordance with paragraph 9.21(2)(b) of the MMLR. Shareholders are also welcome to raise queries by contacting Maxis at any time.

The Board has undertaken the following in encouraging shareholder participation at general meetings including AGM:

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

SUSTAINABILITY MANAGEMENT

The Board is committed to ensuring that our strategic plans support long-term value creation and incorporates the key principles of ESG in underpinning sustainability. In 2022, this was done through extensive engagement across Maxis divisions to lead and drive internal ESG integration.

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

Corporate Governance Overview

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

To further institutionalise sustainability within our business processes and operations, we have formalised a Sustainability Steering Committee that will oversee the management of sustainability matters at Maxis. This committee comprises Maxis' Management Team and members of key business units. We are establishing a monthly reporting cadence specifically for sustainability matters, with the CEO and Sustainability Steering Committee to provide quarterly updates to the Board.

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

ALWAYS BE AHEAD™

Maxis' Focus Areas & Governance Priorities

The governance focus areas in 2022 was mainly the Board's processes, proceedings, and structure being constantly assessed and evaluated to remain competitive, refreshed, and agile with continued focus on strategy, governance, and compliance. The Board has also further enhanced the Integrity Governance Unit and continued with the implementation of the MABC system that include amongst others emphasis on anti-bribery and corruption training, integrity pledges and communication of the updated Code of Business Practice to Directors, employees and third parties.

For the coming year, the governance priorities include continuous enhancements of the Board's composition, dynamics and succession planning of Board members and Management. The Board is committed to providing oversight, guidance and counsel to Management in the execution of strategy and value creation. As an ongoing effort, the Board will continue to evaluate and benchmark itself against other comparable international digital and technology companies.

Statement of the Nomination Committee

Paragraph 15.08A(1) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR) provides that the Nomination Committee (NC) must comprise exclusively non-executive directors, a majority of whom must be independent. NC's members are as follows:

- i **Dato' Hamidah Naziadin (Chairman)**
Appointed as Chairman on 28 April 2022
Independent Non-Executive Director
- ii **Alvin Michael Hew Thai Kheam**
Independent Non-Executive Director
- iii **Uthaya Kumar A/L K Vivekananda**
Independent Non-Executive Director
- iv **Tan Sri Mokhzani bin Mahathir**
Non-Independent Non-Executive Director
- v **Mazen Ahmed M. AlJubeir**
Non-Independent Non-Executive Director

ROLES AND ACTIVITIES OF THE NC IN 2022

Reference to the Terms of Reference (TOR) of the NC and each of the Policies at https://maxis.listedcompany.com/corporate_governance.html

Roles

The NC's functions as a support to the Board's responsibilities include:

- Oversee the composition and performance of the Board, and each of the Board Committee including Board skills, experience, and diversity.
- Director's independence in accordance with the MMLR, both in substance and form.
- Director's time commitment to the Board and Board Committees.
- Annual objective assessment on the effectiveness of the Board, Board Committees, and individual Directors.
- Nomination and/or appointment of Board, Board Committee members, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).
- Oversee succession plans for the Board, Board Committees, CEO and CFO.

- Facilitate Board induction for new Directors, and members of Board Committees.
- Review the training requirements and other development needs for the Directors.
- Oversee the application of the Fit and Proper Policy as well as Board Diversity Policy for the appointment and re-election of Directors in the Group.

The NC met four (4) times during the financial year, with full attendance. The activities and matters reviewed by the NC included (Note: members of the NC abstained and did not participate on matters concerning their own interests):

Board and Board Committees Composition

- Reviewed the Board and each of the Board Committee's compositions, skills, experience, strength, quality and diversity, and time commitment of each Director and member in fulfilling their responsibilities including the changes in compositions of the Audit and Risk Committee (ARC), NC, Government and Regulatory Affairs Committee (GRAC), Share Issuance Committee, Transformation Committee (TC) and Remuneration Committee (RC) as well as the TOR, where applicable.
- Assessed list of candidates as potential directors.
- Recommended the appointment of Uthaya Kumar A/L K Vivekananda and Ooi Huey Tyng as Independent Non-Executive Directors of Maxis.
- Reviewed the performance of Directors, including Directors standing for re-election in accordance with the requirement of paragraph 2.20A of the MMLR that each Director, has the character, experience, integrity, competence and time to effectively discharge his role as a director.
- Reviewed the terms of office and performance of the ARC members in accordance with paragraph 15.20 of the MMLR and that the ARC members carried out their duties and responsibilities in accordance with the TOR of ARC.
- Reviewed the independence of Directors namely Dato' Hamidah Naziadin, Alvin Michael Hew Thai Kheam, Uthaya Kumar A/L K Vivekananda and Ooi Huey Tyng as Independent Non-Executive Directors of Maxis including their tenure, where relevant.

Statement of the Nomination Committee

- Recommended changes in the Board Committees memberships as set out in the table below:

Directors	Changes	Effective Date
Tan Sri Mokhzani bin Mahathir	(i) Resigned as Member of RC	28 April 2022
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	(i) Resigned as Member of NC	28 April 2022
Dato' Hamidah Naziadin	(i) Redesignated from Member of NC to Chairman of NC	28 April 2022
Mazen Ahmed M. AlJubeir	(i) Redesignated from Chairman of NC to Member of NC (ii) Resigned as Member of ARC	28 April 2022
Alvin Michael Hew Thai Kheam	(i) Redesignated from Chairman of ARC to Member of ARC (ii) Redesignated from Member of TC to Chairman of TC	1 July 2022
Uthaya Kumar A/L K Vivekananda	(i) Appointed as Member of NC (ii) Appointed as Member of ARC (iii) Redesignated from Member of ARC to Chairman of ARC (iv) Appointed as Member of GRAC	28 April 2022 1 July 2022
Ooi Huey Tyng	(i) Appointed as Member of RC (ii) Appointed as Member of TC (iii) Appointed as Member of ARC	28 April 2022 1 July 2022
Robert Alan Nason (resigned as Director on 30 June 2022)	(i) Resigned as Member of ARC (ii) Resigned as Chairman and Member of TC (iii) Resigned as Member of GRAC	30 June 2022

Corporate Governance Matters

- Reviewed applications of the Malaysian Code on Corporate Governance (MCCG) as updated in April 2021 and compliance thereto.
- Reviewed the departures from MCCG and recommended actions to improve applicability of the same.
- Reviewed the duties and responsibilities in relation to the respective Board Committee TORs.
- Reviewed the Board Charter of the relevant subsidiaries of Maxis to ensure alignment with Maxis' Board Charter, policies, and procedures.

TENURE OF INDEPENDENT DIRECTORS

The NC acknowledges the role played by Independent Non-Executive Directors in bringing independent and objective judgment to Boardroom discussions and as such, reviewed the following:

Note: *The independence of the four (4) Independent Non-Executive Directors was assessed three (3) times during the year by the NC. Self-assessment forms as well as confirmation by the Independent Directors established that they are, both in substance and form, independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The assessment covers the regulatory definitions of independent directors under the MMLR, and an additional subjective element of independence in substance. This is additionally demonstrated by the conduct and discharge of his/her duties as a Director.*

- Independence of Directors, Dato' Hamidah Naziadin and Alvin Michael Hew Thai Kheam, who are due to retire by rotation pursuant to Rule 131.1 of the Company's Constitution at the forthcoming Fourteenth Annual General Meeting (AGM).
- Tenure of independence of Director, Alvin Michael Hew Thai Kheam, whose tenure has exceeded the cumulative tenure of nine (9) years after 30 August 2021.
- Tenure of independence of Director, Dato' Hamidah Naziadin, whose tenure has exceeded the cumulative

tenure of nine (9) years after 1 February 2023 and pursuant to the MCCG, is entitled to continue serving on the Board as an Independent Director up till the conclusion of the Fourteenth AGM to be held on 18 May 2023.

The NC assessed the independence of each Independent Director in office for the financial year under review and concluded that they had each met all the criteria of an Independent Director set out in the MMLR. The Board is generally satisfied that each Independent Director has remained independent in character and judgment and continue to bring sound, independent and objective judgment to Board deliberations.

ASSESSMENT OF DIRECTORS STANDING FOR RE-ELECTION AT THE FORTHCOMING FOURTEENTH AGM

The NC is responsible for recommending to the Board, Directors who are retiring and are standing for re-election at the Annual General Meeting.

1. Directors Retiring by Rotation pursuant to Rule 131.1 of the Company's Constitution

The NC and the Board also considered the assessment of the following three (3) Directors (the retiring Directors) standing for re-election at the forthcoming Fourteenth AGM on 18 May 2023 pursuant to Rule 131.1 of the Company's Constitution, and collectively agreed that they meet the criteria regarding their character, experience, integrity, competence, and time commitment to effectively discharge their respective duties and responsibilities as Directors as prescribed under paragraph 2.20A of the MMLR:

- Dato' Hamidah Naziadin
- Alvin Michael Hew Thai Kheam
- Lim Ghee Keong

Statement of the Nomination Committee

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

- (i) performance and contribution based on the Self-Assessment (SA) and Board Effectiveness Evaluation (BEE) 2022 results;
- (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.

The retiring Directors met the performance criteria required of an effective and a high-performance Board based on the Directors' SA results and the BEE 2022. The Board approved the NC's recommendation that the retiring Directors in accordance with Rule 131.1 of the Company's Constitution are eligible to stand for re-election. The profiles of these retiring Directors are set out on pages 5 and 8 of this Integrated Annual Report. Dato' Hamidah Naziadin, Alvin Michael Hew Thai Kheam and Lim Ghee Keong do not hold any shares in Maxis Berhad. Each of them do not have any 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 (5) years and has not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2022.

2. Extension of independence pursuant to MCCG

Dato' Hamidah Naziadin (DHN) and Alvin Michael Hew Thai Kheam (AMH) were appointed as Independent Directors on 1 February 2014 and 30 August 2012 respectively and have exceeded the cumulative tenure of nine (9) years as at the forthcoming Fourteenth AGM. Maxis' shareholders had, on 28 April 2022, approved the resolution for AMH to continue to act as an Independent Director from 30 August 2022 to 29 August 2023.

The Board through the NC, has undertaken relevant assessments and recommended for DHN and AMH to continue to serve as Independent Non-Executive Directors for a further one (1) year period from 18 May 2023 to 17 May 2024 and from 30 August 2023 to 29 August 2024 respectively by seeking shareholders' approval at the Fourteenth AGM based on the following justifications:

- (i) DHN and AMH have fulfilled the criteria of Independent Director as stated in the MMLR.
- (ii) DHN and AMH have demonstrated their objectivity and independence when providing their views and contributions as members of the Board when considering Board-related matters and in discharging their responsibilities as Directors. They are not hesitant to challenge the rest of the Board members and Management team.

- (iii) The length of time that they have remained in their role have not interfered with their ability to exercise independent judgment as Independent Directors and they have continued to contribute to the performance and positive dynamics of the Board.
- (iv) DHN and 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. Their insights and guidance provide impartiality to matters considered at the meetings of the Board and Committees.
- (v) DHN and AMH have vast experience, knowledge, and skills in a diverse range of businesses and therefore continually provide constructive opinion, counsel, oversight, and guidance as Directors. Additionally, the Board benefits from the deep experience and firm-specific knowledge brought by DHN and AMH, which provide stronger monitoring and relevant counsel to Management, and also ensure continuity in the strategic direction as determined by the Board.
- (vi) DHN has specialised knowledge of human resources (HR) and sustainability practices in Malaysia and the region which she brings to the Board and Maxis. DHN has experience and hands-on capabilities in mentoring and coaching young talent and women at various formal and informal settings.
- (vii) AMH has international chief executive officer and operational experience, and brings multi-perspective experiences and best practices to the Board and Maxis.
- (viii) DHN and AMH have devoted sufficient time and attention to their professional obligations to Maxis required for informed and balanced decision making.

REVIEW AND ASSESSMENT OF THE TERMS OF OFFICE OF THE AUDIT AND RISK COMMITTEE OF MAXIS PURSUANT TO PARAGRAPH 15.20 OF THE MMLR

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

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

1. The ARC's independence is satisfactory. The Committee's actions reflected its independence from Management or any related parties and the ARC acts freely from any conflict of interests.
2. The ARC demonstrated confidence in dealing with difficult and complex matters brought before the ARC.

Statement of the Nomination Committee

3. The ARC reviewed and reported to the Board, the quarterly and year-end financial results, and year-end financial statements, before approval of the Board, focusing particularly on:
 - (a) Changes in or implementation of major accounting policies;
 - (b) Going concern assumption and ability of the Group;
 - (c) Significant and unusual events;
 - (d) Reports from the external auditors; and
 - (e) Compliance with applicable approved financial reporting standards and other legal requirements.
4. The ARC reviewed and reported to the Board, the adequacy of the:
 - (a) External auditors (fees, quality of audit function, competence, resources including key audit partner and knowledge);
 - (b) Internal auditors (scope, methodology, competence, resources, and quality of functions); and
 - (c) Maxis' accounting and finance staff.
5. The ARC reviewed related party transactions and conflict of interest situations, including the quarterly review of the Recurrent Related Party Transactions Mandate for 2022/2023.
6. The ARC Chairman presents a formal detailed report to the Board about the proceedings of every ARC.
7. The ARC is committed and has the competence, integrity, skills, experience, time, and resources to undertake their duties.
8. The ARC was satisfied that appropriate internal and external support and resources are available to the ARC.

FIT AND PROPER POLICY

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

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

BOARD DIVERSITY POLICY

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

Underpinning Maxis' Board Diversity Policy is Maxis' commitment in ensuring that all Directors are appointed on merit and in line with the standards as set out in paragraph 2.20A of the MMLR. The background of each Director can be found on pages 4 to 8 of this Integrated Annual Report, which demonstrates the Board's Diversity Policy.

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

The Board endeavours to meet its diversity requirements and targets to accomplish at least 30% women Directors on the Board. The NC and the Board are always on the look out to expand the pool of potential women candidates for Board candidacy. In 2022, the NC and Board considered the appointments of additional Independent Directors on the Board from a pool of potential candidates, with an emphasis on suitable women candidates, that were obtained from various sources including independent search firms. In line with this, the Board endeavours to take incremental steps to achieving the diversity requirements of the MCGG.

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

Audit and Risk Committee Report

The Board of Maxis is pleased to present the Audit and Risk Committee (ARC) Report for the financial year ended 31 December 2022.

THE AUDIT AND RISK COMMITTEE AT A GLANCE

No. of Members	5, all Non-Executive
No. of Independent Members	Chairman + 3 Others
No. of Meetings	5 in 2022
Attendance Rate	See below

WHO WE ARE

No	Name	Status	Appointment	Meetings Attended	Full Profile on page
1	Uthaya Kumar A/L K Vivekananda*	NE, IN	Appointed as member on 28/04/2022 and re-designated as Chairman on 01/07/2022	2/2	6
2	Alvin Michael Hew Thai Kheam	NE, IN	Re-designated as member on 01/07/2022	5/5	5
3	Dato' Hamidah Naziadin	NE, IN	01/02/2014	5/5	5
4	Mohammed Abdullah K. Alharbi	NE	13/10/2015	5/5	7
5	Ooi Huey Tyng	NE, IN	Appointed as member on 01/07/2022	2/2	6
6	Robert Alan Nason	NE	Ceased as member on 30/06/2022	3/3	-
7	Mazen Ahmed M. AlJubeir	NE, IN	Ceased as member on 28/04/2022	2/2	7

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

THE ARC'S SKILLS AT A GLANCE

- All members are financially literate.
- All members are able to read, analyse, interpret and understand financial statements.
- All members have extensive business experience.
- Each member has skill sets which make the ARC effective as a team, lending it the ability to effectively discharge its duties and responsibilities.
- Uthaya Kumar A/L K Vivekananda (appointed as Chairman on 1 July 2022), a Fellow of the Institute of Chartered Accountants in England and Wales, and Robert Nason (ceased as member on 30 June 2022), a fellow of CPA Australia, meet the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements (MMLR) for Audit Committees to have at least one member of an association of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

During the financial year, the Committee reviewed and updated its Terms of Reference to be in line with the Statement on Risk Management and Internal Controls. An annual review was also performed to ensure all requirements were complied with.

A total of five ARC meetings were held in 2022. At these meetings, the Committee focused on Maxis' financial results, announcements to Bursa Securities for Q4 2021 and full-year 2021, Q1 2022, Q2 2022 and Q3 2022, the provisions and judgmental accounting items for the respective financial quarters, reports from both the external and internal auditors, regulatory and legal updates, enterprise risk management matters, related party transactions, revenue assurance, business and continuity planning, capital raising, systems and security information and other internal control matters.

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

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

Audit and Risk Committee Report

Risk Management and Internal Control

- The Committee reviewed the quarterly status reports on Enterprise Risk Management (ERM) activities within the Group presented by the Management, which includes overall risk profile, changes and updates on the number of key risks, and the corresponding mitigating actions. The Committee also reviewed the risk appetite statement and risk methodology adopted in ensuring that key and high risks were identified and tracked.
- Through the Internal Audit's reports on key internal audit findings and the external auditor's reports on work performed presented at the ARC meetings, as well as through discussions with key Senior Management, the Committee evaluated the overall adequacy and effectiveness of the system of internal controls including information technology and network controls; the Group's financial, auditing and accounting organisations and personnel; and the Group's policies and compliance procedures with respect to business practices.
- During its meetings and discussions with key Senior Management, the Committee consistently emphasised the importance of information security and the Group's readiness to prevent and respond to cyber-attacks and online fraud. Cyber security updates were provided to the Committee on a quarterly basis due to the Committee's emphasis on this area and recognition as a material matter to the Group.
- In continuing to promote ethical business practices, the Committee also reviewed the summary of defalcation cases investigated in 2021 and, where relevant, requested Management to carry out the necessary disciplinary actions. These actions reflect the Board's non-tolerance of fraud as well as to further improve the control environment in preventing further recurrences.
- In strengthening anti-bribery and anti-corruption governance framework as per the requirements of Section 17A of the MACC Amendment Act, the Committee on quarterly basis deliberated with Management on the compliance status with the implemented Maxis Anti Bribery Management System and Compliance (MABC) policies and procedures in the Group. In relation to this, the Committee also received updates from the Compliance Officer on related initiatives and activities related to enhancing the Group's compliance culture.
- ARC was also updated on the initiatives taken to mitigate the risks from the ongoing pandemic on the health and safety of the employees, which include the status of the COVID-19 cases; the Work from Home and Return to

Office process and policies; and the vaccination policies. In addition, the Committee has also stressed on the importance of Management to continuously provide necessary steps to protect the safety and wellbeing of the employees.

Financial Reporting

- In overseeing the Group's financial reporting, the Committee together with appropriate officers of the Group reviewed the quarterly financial results and annual audited financial statements of the Group, including the reports on provisions, significant judgmental accounting matters, impact of new accounting standards and related announcements, before approving the release of the Group's financial results to Bursa Securities. The quarterly financial results for Q1, Q2, Q3 and Q4 of 2022, which were prepared in compliance with the Malaysian Financial Reporting Standards (MFRS), were reviewed at the quarterly Committee meetings. Improvement to the Q3 and Q4 financial management reports were applied based on reviews and requirements made by the Committee. During its first quarterly meeting, the Committee reviewed the draft audited financial statements for the financial year ended 31 December 2021 and the quarterly financial results for Q4, 2021.
- In reviewing the integrity of financial information, the Committee deliberated with Management to ensure that all matters set out in Section 5 of the Audit and Risk Committee Terms of Reference ("Responsibilities" under the heading "Financial Reporting") as well as the following areas, where relevant, had been complied with:
 - i. The MMLR;
 - ii. Provisions of the Companies Act 2016 and other legal and regulatory requirements; and
 - iii. MFRS issued by the Malaysian Accounting Standards Board.
- On a quarterly basis, Management gave its assurance to the Committee that related party transactions and the mandate for recurrent related party transactions (RRPT) were in compliance with MMLR and the Group's policies and procedures. In addition, Internal Assurance presented the results of its quarterly independent reviews of the RRPT confirming that all RRPTs complied with the said policies and procedures.

Overall Governance, Regulatory and Other Updates

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

Audit and Risk Committee Report

Internal Audit

- The Group's internal audit function (internally referred to as the Internal Assurance Division) carried out its activities based on the risk-based Annual Audit Plan approved by the Committee, covering scopes under the governance, risk management and internal control processes, including regulatory compliance such as related party transactions. Based on the approved Annual Audit Plan for 2022, a total of 41 engagements were conducted as at year-end covering the following key categories:
 - i. Governance areas (Accounting & Finance, Contracts Management, Regulatory Compliance, Sales Operations, Technology, Fraud & Bribery areas): 83%
 - ii. Strategic initiative reviews: 15%
 - iii. Top and emerging risks: 2%
- At the Committee's quarterly meetings, Internal Assurance presented updates of its Annual Audit Plan 2022, including the status of engagements, key findings from audit reports and the corresponding audit conclusion opinions, audit recommendations by the internal auditors, results of investigations performed by the internal auditors and the representations made, as well as status of corrective actions taken by Management to address and resolve issues, ensuring these were adequately addressed on a timely basis.
- The Committee was also updated on the progress of the audit automation initiative as well as the assurance results generated from the automated reports. The Committee also reviewed improvements that the digitalisation initiative has shown on the overall assurance coverage and Group's vigilance over risks and controls across more critical business processes through timely closure of the exceptions generated from the automated report. During the year, responsibility and accountability for ensuring that control exceptions generated by these automated reports are adequately remediated, have been handed over to Management, to develop and promote self-assessment capabilities over the effectiveness of their risk and control environment in their operations. It is the business that has overall responsibility and accountability for the proper application of internal controls.
- During its last quarterly meeting for the year, the Committee reviewed and approved the Annual Audit Plan 2023, which reflects the changing risk landscape of the organisation, industry, and the Group's convergence strategy. A total of 29 audits have been planned for 2023 focusing on key business governance areas (finance and business operations, contract management, forensic reviews, technology, regulatory compliance); top and emerging risks areas; strategic initiative reviews; as well as advisory services. The Committee also reviewed the scope and coverage of the planned activities and ensured principal risk areas and key processes of the business (identified by the Enterprise Risk Management department and the internal audit function) were adequately addressed.
- New areas of focus are introduced for 2023, which are special forensic reviews and Control Self-Assessment activities, with the aim to strengthen the control environment and compliance stature of the Group. The new forensic type of review focuses on in-depth evaluation of the rationale, decision making processes, adequacy of controls and fraud prevention, as well as avoidable losses.
- In line with the digital aspiration of the function as approved by the Committee, Internal Assurance also continues to increase focus on audit automation activities for next year, as well as the continuous improvement on its Agile Auditing practices, as its core process methodology.
- During the same meeting, the internal audit function presented for the Committee's approval the divisional KPIs for 2023 covering four strategic focus areas: Operations, Customers, Innovation and Learning & Development. The KPIs were updated to be in line with the progress of the three-year roadmap with emphasis on measures that promotes strengthening of the business internal control environment and compliance practices; expanding its continuous assurance capability using automation technologies; and efficiency outcomes from Agile processes.
- The Committee continuously reviewed the adequacy and competency of the resources in Internal Assurance Division. Related to talent management, the Committee had requested for a new initiative to be introduced by the Group via the Assurance Leadership Development Program (ALDP), which was designed to accelerate growth of high potential individuals in the organisation through a one-year rotational exposure in Internal Assurance Division. The program aims to enhance business acumen; leadership skills; and risk and compliance mindset of the identified talents through audit assignments participation, while enhancing employees' career experience.

Audit and Risk Committee Report

External Audit

- During its first quarterly meeting, the Committee reviewed the external auditor's report for the financial year ended 31 December 2021 and recommended for the Board's approval.
- At the same meeting, the Committee undertook an annual assessment of the suitability and independence of the external auditors and reviewed their compliance with Maxis' External Audit Independence Policy (EAIP) for work carried out in the previous financial year (2021). This was to determine whether the services rendered would impair the external auditors' independence and objectivity.

The compliance status was presented by Management to the Committee for its deliberation. Internal Audit also presented its independent review of the external auditors' independence to the Committee, confirming the assessment results by Management. The Committee deliberated on the reports and concluded that the auditors complied with the EAIP.

- The Committee reviewed the statutory audit services, audit related services and non-audit services provided by the external auditors and their corresponding incurred fees, which included tax related services, regulatory compliance reporting, accounting consultation and agreed-upon procedures. The Committee concluded that the auditors had remained independent during the year.
- At its quarterly meetings, the Committee deliberated on the results and issues arising from the external auditors' review of the 2022 quarterly financial results, Q4 2021 financial results and audit of the 2021 year-end financial statements as well as the resolution of issues highlighted in their report to the Committee. The Committee also deliberated on key audit matters highlighted by the auditors, the Internal Control Recommendations (ICRs) raised by them, and monitored their closure status.
- The Committee reviewed the external auditors' 2022 Audit Plan outlining their strategy, approach and proposed fees for the current financial year's statutory audit. The Committee noted the proposed plan and approved it for the current financial year.
- The Committee reviewed the annual assessment conducted on the effectiveness of the external auditors. The assessment covered seven categories, namely the audit firm's calibre, quality process, audit team, scope, communication, governance, independence, and audit fees.

Integrity and Governance Unit

- The Committee provided oversight over the IGU function, whose role is to foster the principle of abhorring corruption, abuse of power and malpractices in companies through four core functions, namely: Complaints Management; Detection & Verification; Integrity Strengthening; and Governance.
- The Committee reviewed and deliberated reports and updates from the Head of IGU at every quarter of the ARC Meeting on the continuous implementation and enforcement of ethics & integrity compliance governed by the ABMS (Anti-Bribery Management System) and MICF (Maxis Integrity Compliance Framework).
- The Committee monitored the progress of the initiatives and programmes, which includes compliance progress; anti-bribery and anti-corruption internal control enhancements; MABC updates, effectiveness, related activities and areas of concerns; as well as on the status of ongoing/completed investigations related to bribery & corruptions.
- Since the establishment of MICF, the Committee demonstrated their seriousness and commitment in upholding ethics and integrity through monitoring of IGU's progress in related programmes such as Integrity Pledges (100%); completion of MABC e-learning module for employees (100%); third party and employees awareness programme; and online due diligence compliance screening to assess bribery risk and corruption.
- The Committee had also deliberated and endorsed the following with respect to anti-bribery corruption and anti-money laundering and counter financing of terrorism (AML/CFT) initiatives driven and led by IGU:
 - Maxis Anti-Bribery & Corruption Policy
 - Amendment to Maxis Integrity Compliance Framework
 - Integrity and Compliance Trainings
 - Maxis Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy Statement
 - Roll Out of Dawn Raid Policy
 - Subscription of Due Diligence Solution as part of Third-Party Risk Management
 - Full implementation of Integrity Vetting System (eSTK) screening by the Malaysian Anti-Corruption Commission on the Chairman, Directors, Chief Executive officers, Senior Management Officers and officers designated for critical and strategic positions, including selective third parties were thoroughly vetted and were of high integrity

Audit and Risk Committee Report

Long Term Incentive Plan (LTIP)

- The internal audit on LTIP grants for the financial year was performed in September 2022. In ensuring that the allocation for employees was as per approved criteria, disclosed pursuant to LTIP, the Committee deliberated the review results presented by Internal Assurance during its October meeting.

PROCEEDINGS OF THE ARC MEETINGS

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

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

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

TRAINING

Training attended by the Committee members during the financial year is reported under the Corporate Governance Overview on page 71.

INTERNAL ASSURANCE DIVISION

The Group has an in-house independent internal audit function (internally referred to as the Internal Assurance Division) that reports directly to the Committee. Its primary responsibility is to provide independent and objective assessment of the adequacy and effectiveness of the risk management, internal control and governance processes established by Management and/or the Board within the Group.

The Internal Assurance Division comprises of 24 auditors and is headed by Shafik Azlee Mashar, who has extensive experience in managing internal audit functions within telecommunications, FMCG and banking organisations. Shafik holds a Bachelor's degree in Information Systems Engineering from Imperial College of Science Technology & Medicine, London and is a Certified Information Systems Auditor (CISA), Certified PRINCE2 Project Management Professional, Certified ScrumMaster (CSM) for Agile and Certified Lead Auditor for ISO 37001:2016 Anti Bribery.

The Head of the Internal Assurance Division reports directly to the Chairman of the Committee, and is responsible for enhancing the quality assurance and improvement programme of the internal audit function. Its effectiveness is monitored through continuous internal and external quality assessments and the results are communicated to the Committee.

The total costs incurred for the internal audit function for the financial year ended 31 December 2022 amounted to RM7.5 million (2021: RM6.6 million).

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

The Audit and Risk Committee has regular dialogues and sessions with the Head of Internal Assurance and team.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the adequacy and effectiveness of the Group's system of internal control and risk management. The Group has an established risk management and internal control framework.

Management has primary responsibility for identifying, assessing, monitoring and reporting key business risks. Risk management and internal control systems are designed to identify, assess and manage risks that may impede the achievement of the Group's business objectives and strategies rather than to eliminate these risks entirely. They can only provide reasonable and not absolute assurance against fraud, material misstatement or loss, and this is achieved through a combination of preventive, detective and corrective measures.

The risk management and internal control framework are embedded into the culture, processes and structures of the Group which are subject to regular review by the Board. These reviews are an ongoing process for identifying, evaluating and managing significant risks that may affect the Group's achievement of its business objectives and strategies.

The Group's risk management and internal control framework, in all material aspects, are consistent with the guidance provided to Directors as set out in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

RISK MANAGEMENT

Risk management is an integral part of the Group's business strategy formulation and implementation. Oversight over this critical area is carried out by the Audit and Risk Committee. The Audit and Risk Committee, supported by the internal audit function, provides independent assurance on the effectiveness of the Maxis Enterprise Risk Management (ERM) framework and reports to the Board periodically.

The Maxis ERM framework is broadly based on the ERM framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The Maxis ERM framework involves identifying, analysing, measuring, responding, monitoring and reporting on risks that may affect the achievement of its business objectives. Risk indicators and key performance indicators are applied to ensure that risks are managed within the established risk

appetite. This framework helps Maxis to respond adequately to uncertainties surrounding the Group's internal and external environment. The ERM function reports to the Board on a quarterly basis through the ARC. For major risks to which the Group is exposed, refer to the Business Model section on pages 27 to 31.

MAXIS' ENTERPRISE RISK MANAGEMENT FRAMEWORK

There is an ERM function that oversees implementation of the ERM Framework. A process has been established where ERM discussions are held on a regular basis between units within divisions/ departments/ sections to identify potential risks. In addition, the ERM team participates in strategic and operational discussions regularly. Changes to risk information and newly identified risks are then reported, reviewed and discussed with the Maxis Management Team (MMT) and with the Audit and Risk Committee on a quarterly basis.

All identified risks are displayed on a five-by-five risk matrix based on their risk ranking to assist Management to prioritise their efforts and appropriately manage the different levels of risk.

During the year, the Board implemented a process where the risk management function assists the Transformation Committee in its evaluation of projects risks.

An e-module on Risk Management and risk information dashboard has been introduced. During the year, an ESG Risk Framework was implemented. Moving forward, the ERM function will be enhanced to focus on risk areas related to project management risks and fraud management risks (prevention and detection).

CONTROL ENVIRONMENT AND STRUCTURE

Inculcating and ensuring a risk awareness and management culture is an ongoing process. The Board and Management have established processes and introduced tools for identifying, evaluating and managing significant risks faced by the Group. These include testing of the effectiveness and efficiency of the internal control procedures and updating the system of internal controls when there are changes to the business environment or regulatory guidelines. These processes have been in place for the financial year ended 31 December 2022 and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the Integrated Annual Report.

Statement on Risk Management and Internal Control

The key elements of the Group's control environment include:

1. Organisation Structure

The business of the Group is overseen by the Board. The Board is supported by a number of established committees, namely Audit and Risk, Nomination, Remuneration, Transformation, Government and Regulatory Affairs, Share Issuance and ad-hoc operational and governance committees that are formed from time to time. Each Committee reports to the Board on its activities to keep the Board updated and to assist in decision-making where relevant (please refer to the Statement of Corporate Governance for further details).

The Board and Board Committees have full access to Management and information in the discharge of their duties and responsibilities.

Responsibility for implementing the Group's strategies, operations, and day-to-day businesses, including implementing the system of risk management and internal control, is delegated to the Chief Executive Officer (CEO). The organisation structure sets out segregation of roles and responsibilities, lines of accountability and limits of authority.

2. Audit and Risk Committee (ARC)

The ARC consists of five non-executive members of the Board, majority of whom are Independent Directors. The ARC reviews the Group's financial reporting process, the system of internal controls, the implementation and management of ERM framework and the work of both internal and external auditors. The ARC also reviews the process for monitoring ethics, whistleblowing and compliance with laws and regulations, as well as other matters which may be specifically delegated to the ARC by the Board from time to time.

The Whistleblowing policy is managed by Internal Assurance team, and all reported incidences are communicated to the ARC Chairman upon receipt. All allegations are investigated and reported to the ARC.

The ARC also reviews the sufficiency of the Maxis Anti-Bribery and Corruption (MABC) system. The Compliance Officer as Head of Integrity and Governance Unit (IGU) updates the ARC on the implementation of Maxis Integrity Compliance Framework (MICF) and the overall effectiveness of the MABC system. The Compliance Officer also advises the Board on issues of compliance with applicable laws, regulations, rules, directives and guidelines. The ARC also reviews the independence and determines the authority and area of responsibility of the IGU.

ARC members are regularly briefed on key matters affecting the financial statements of the Group.

The external auditors reports to the ARC on their independence the nature, approach, scope and fees charged. The ARC also reviews the effectiveness of the internal audit function, which include inter alia, the nature, scope and results of their work.

During 2023, the efficiency and effectiveness of fraud management, including whistleblowing will be given added review focus by the ARC.

The ARC has full and unimpeded access to the internal and external auditors and all employees of the Group. The Chairman of the ARC provides the Board with reports and results held by the ARC. Further details of the activities undertaken by the ARC are set out in the ARC Report on pages 79 to 83.

3. Internal Assurance

The internal audit function (internally known as the Internal Assurance Division) reviews key processes, evaluates the adequacy and effectiveness of internal control, risk management and governance processes established by Management and/or the Board. It is also responsible to investigate all questionable transactions or MABC non-compliance when information is received and detected internally or externally.

The Internal Assurance division's practices are governed by the Internal Assurance Charter, which is subject to revision on an annual basis. The annual audit plan, established on a risk-based approach, is reviewed and approved by the ARC annually and an update is given to the ARC every quarter. The internal audit function also practices technology-driven automated checks over a number of selected internal control areas.

The ARC oversees the internal audit function, its independence, resources, scope of work, and results of work. The internal audit function also maintains quality assurance and improvement programme and continuously monitors its overall effectiveness through internal self-assessments and external quality assurance review. The ARC, as a minimum, meets quarterly.

The internal audit function follows the requirements of International Standards for the Professional Practices of Internal Auditing of the Institute of Internal Auditors Inc. Further details of the function and its activities are set out in the ARC Report on pages 79 to 83.

Statement on Risk Management and Internal Control

4. Code of Conduct and Code of Business Practice

The Maxis Code of Conduct (CoC) and Code of Business Practice (CoBP) stipulate how Directors and employees as well as external parties such as third-party employees, contractors, consultants and/or personnel positioned in Maxis' premises and acting on Maxis' behalf, including all parties or entities doing business with Maxis, should conduct themselves lawfully and ethically in all business matters.

The CoBP, encompasses compliance and governance of its embedded policies surrounding business practices such as MABC, data privacy and protection, insider trading etc.

All Directors, employees and third-party employees, contractors, consultants and/or personnel positioned in Maxis' premises and acting on Maxis' behalf are required to complete an annual mandatory assessment and acknowledgement of the CoC, CoBP and renew their Integrity Pledge.

Maxis is committed to respect the privacy and safeguard the confidential data of our customers and the importance of adhering to our information security related policies.

Maxis upholds ethical procurement practices with its suppliers at all times, providing a level "playing field" which is guided by suppliers' compliance to technical and commercial requirements forming the basis of evaluation and selection of suppliers. This includes our commitment to open and transparent competition based on suppliers' capability and experience.

Annual mandatory training and assessments are carried out together with regular company-wide campaigns, reminders and communications. Compliance Champions for the respective Divisions assist to expand the compliance footprint.

Maxis has established an Ethics Hotline, which serves as a channel for employees or parties dealing with Maxis to report any incidence or occurrence which is not in accordance with the CoC and CoBP.

5. Integrity and Compliance, Anti-Bribery and Corruption

Maxis Integrity & Governance Unit (IGU) is an independent unit that reports to the Board of Maxis Berhad via the ARC. IGU is responsible for the implementation, monitoring, strengthening and evaluation of anti-corruption controls within Maxis through MICF (which is inclusive of the MABC System) and Anti-Money Laundering/Countering Financial Terrorism (AML/CFT) framework. The MABC system is in accordance with the requirement of the ISO 37001:2016 Anti-Bribery & Management System.

IGU is headed by the Compliance Officer who is responsible for the continuous implementation, compliance, enhancement, enforcement and effectiveness of the MABC System and shall ensure the implementation of Adequate Procedures pursuant to the Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act). The Compliance Officer, which reports functionally to the ARC, provides periodic reports to the ARC.

Maxis has a zero-tolerance policy against bribery and corruption. Maxis has implemented the MABC system which sets out the expected behaviour and ethical conduct of all Directors, employees and third parties who represent or act for or on behalf of Maxis. The MABC system, amongst others, explicitly prohibits the giving and acceptance of bribes by Maxis employees, money laundering, sponsorship and donations activities including the giving and receiving of facilitation payments in all its business dealings.

A series of training programmes, including mandatory MABC online learning for current employees, onboarding programme for new employees and Vendor Integrity Programmes (VIP) for third parties (including suppliers, dealers, partners, distributors, SI etc) are conducted regularly by IGU to ensure that all employees, including the Board, Top Management and third parties are committed and uphold the same integrity spirit and culture.

The MICF that was formulated pursuant to the Guidelines on Adequate Procedures of T.R.U.S.T Principles under Section 17A (5) of the MACC Act. MICF aims to prevent bribery and corruption through the implementation of 'adequate procedures'. MICF aims to prevent bribery and corruption through the implementation of 'adequate procedures'.

Statement on Risk Management and Internal Control

Corruption is a perennial risk and the Board strives and will continue to look for improvements in the prevention and detection.

6. Revenue Assurance

The Revenue Assurance function is responsible for the detection of revenue leakage by the examination of regular test calls, reconciliations of chargeable transactions from network and IT systems to the billing systems, and independent rating of key services via automated tools. Processes and controls within the revenue cycle are also reviewed regularly. The Revenue Assurance department meets key stakeholders on an ongoing basis to address key revenue assurance issues and drive revenue assurance initiatives across the Group. Key issues and mitigation actions are reported to Management and the ARC on a monthly and half-yearly basis, respectively.

7. Subscriber Fraud Management

The Subscriber Fraud Management (SFM) function complements the Revenue Assurance function. The SFM function monitors daily subscriber calls/ events on a near realtime basis. Immediate action is taken to manage suspected fraudulent calls/ events by monitoring call patterns on a 24/7 basis throughout the year in addition to other manual reporting investigations. SFM also reviews customer journey and key new services and products for possible fraud risk and recommends counter-measures. Instances of fraud, along with the remedial actions taken, are reported to Management on a monthly basis and presented half-yearly to the ARC.

8. Business Continuity Management

The Business Continuity Management (BCM) team is responsible for identifying activities and operations that are critical to sustain business operations in the event of a disaster. These include facilitating the building of additional redundancies in both IT and network infrastructure and establishing alternate sites where key operational activities can be resumed. A risk-based approach is applied in identifying the key initiatives and their levels of importance by reviewing critical systems and single-point of failures as well as their impact on the Group's business.

Critical areas, as identified by risk priority, are periodically tested to assess the effectiveness of BCM. Progress on initiatives presented to the BCM Management Team on a yearly basis.

9. Cybersecurity, Data Protection and Data Privacy

Cybersecurity Management (in collaboration with Core Network Engineering, Network Operations), ERM and Data Privacy teams form part of the Maxis Central Governance Committee overseeing cybersecurity, data protection and data privacy. Maxis maintains compliance to all mandatory cybersecurity standards required by MCMC such as compliance to the ISO 27001 (Information Security Management System), Personal Data Protection Act 2010 (PDPA) and e-Money standards required by Bank Negara Malaysia.

Cybersecurity Management, IT, Enterprise and Network Divisions implements both cybersecurity and data protection controls for all applications, systems, networks, services, and internet of things (IoT). Immediate actions are taken if there are any potential threats and exploitable security vulnerability found in Maxis' systems.

We acknowledge that there are possibilities for that unauthorised access to occur within the environment due to the ever evolving advanced methods used by perpetrators.

Regular penetration testing are conducted by third parties.

The ERM and the Data Privacy function supports Cybersecurity Management in managing cybersecurity risks and maintaining the privacy of customer data.

9.1 Cybersecurity and Data Protection

The Cybersecurity Management function in Maxis oversees cybersecurity and data protection. They monitor and mitigate both internal and external cybersecurity threats, maintain compliance with regulatory and industry security standards, develop policies and technical specifications and provide awareness and capacity building. The function works closely with other departments and provides regular reports to management and the ARC.

During the financial year, the cybersecurity team enhanced data protection controls for both employee mobile devices and corporate devices such as laptops and desktops through the implementation of End User Device. Additionally, data classification policies and rules were reviewed and fine-tuned to further reduce the risks of data leakage.

Statement on Risk Management and Internal Control

Proactively detecting potential security vulnerabilities, the team employed third-party penetration testing, application security assessments, red-team exercises, and threat hunting. Automation of security controls and operations was a key focus, particularly in the areas of the 24x7 Security Operations Center, Breach and Attack Simulation, Data Protection, and Identity Management. Also implemented is a partner or vendor risk management program to assess the cybersecurity posture of selected business partners and/or suppliers.

9.2 Data Privacy

The Data Privacy Office is responsible for overseeing and driving the implementation of Maxis' data privacy strategy adhere to the Personal Data Protection Act 2010 (PDPA), Maxis' Data Privacy & Protection Policy and Maxis' Data Classification and Lifecycle Management Policy. Responsibilities include educating employees and partners about PDPA compliance, conducting attestations and assessments, monitoring related risks, providing advice to internal stakeholders, creating a culture of data privacy for the design of products, services and processes, leading investigations and breach notifications, and providing regular reporting.

Selected business partners completed an annual cybersecurity compliance attestation to ensure they maintain cybersecurity and data protection standards on-par with Maxis and the industry. We are continuously reviewing and enhancing our third-party risk assessment program and onboarding additional business partners as part of our risk reviews with business.

10. Regulatory

The Regulatory function ensures compliance with the Communications and Multimedia Act 1998 (CMA) and its applicable rules and regulations which govern Maxis' core business in the communications and multimedia sector in Malaysia. As a licensee under the CMA, Maxis adheres to its licensing conditions, as well as economic, technical, social and consumer protection regulations embedded in the CMA and its subsidiary legislation. Maxis actively participates in new regulatory and industry development consultations initiated by MCMC.

The Regulatory function also frequently engages MCMC and the Ministry of Communications and Digital on industry issues.

11. Legal

The Legal function plays a key role in ensuring that the interests of Maxis are preserved and safeguarded from a legal perspective. It ensures that the Maxis' operations, policies and procedures and transactions with third parties comply with all relevant laws, and that legal risks to the business are addressed. The Board is also briefed through reports to the ARC on material litigation and any changes in law that would affect the Group's operations.

12. Company Secretary

Please refer to page 70 of the Statement on Corporate Governance in this Integrated Annual Report.

13. Limits of Authority

The Limits of Authority (LOA) manual sets out the authorisation limits for various levels of Maxis' Management and staff as well as matters requiring Board approval. The LOA manual is reviewed and updated periodically to align with business, operational and structural changes.

14. Policies and Procedures

Policies, procedures, guidelines and service level agreements on the Group's intranet site include those relating to finance, contract management, marketing, procurement, human resources, information systems, network operations, legal, system and information security controls.

15. Financial and Operational Information

Budgets are prepared by Management and presented to the Board for approval before the commencement of a new financial year. Maxis' performance is tracked and measured against the budget, and reported monthly. On a quarterly basis, actual results and a rolling forecast are reviewed by the Board to enable the Directors to evaluate Maxis' performance.

A 5-year Long Range Plan (LRP) is prepared and updated on an annual basis to identify financial challenges and opportunities in the near future. The LRP aims to stimulate long-term and strategic thinking among the operating units and thereby devising strategies to deliver long term financial sustainability. The LRP is presented to the Board for approval on an annual basis.

Statement on Risk Management and Internal Control

MONITORING AND REVIEW

Processes that monitor and review the effectiveness of the system of risk management and internal controls include:

1. Management representations made to the Board by the CEO and Chief Financial Officer (CFO), based on representations made to them by Management on the adequacy and effectiveness of Maxis' risk management and internal control system. Any material exceptions identified are highlighted to the Board.
2. Internal Assurance function independently reports to the ARC. Internal Assurance function issues reports to the ARC and the MMT that highlights significant issues and exceptions identified during the course of their work. Internal Assurance, together with IGU, also reports to the ARC on a quarterly basis on any bribery and corruption related incidents and MABC non-compliance.
3. The Fraud Working Group (FWG) comprises representatives from business units, Revenue Assurance and SFM, Legal, People and Organisation (P&O) and Internal Assurance departments. FWG establishes and monitors fraud related policies and regularly reviews and agrees on actions to be taken on identified instances of fraud.
4. The Defalcation Committee deals with matters pertaining to fraud and unethical practices including bribery and corruption related incidents and MABC non-compliance. There's a separate Special Defalcation Committee, deals with similar matter where senior management is involved.
5. Maxis Integrity Awareness and Compliance Committee, comprising the Compliance Officer and representatives from Legal and P&O meets on a periodic basis to co-ordinate and monitor programmes planned and developed under the MICF and ensures that they are implemented. On a quarterly basis or as and when requested, the Compliance Officer reports on the activities, deliverables and implementation of MICF to the ARC.
6. Cybersecurity and data protection within Maxis is governed by relevant members of MMT who meet on a monthly basis to direct, review, approve and monitor corporate cybersecurity and data protection policies or standards, incidents and projects undertaken by the Group. CM reports monthly to the CEO and quarterly to the ARC on the Group's cybersecurity and data

protection status. Cybersecurity controls are assessed by independent third parties as well as both the external and internal auditors as part of their various planned reviews.

7. The Central Governance Committee, comprising of Data Privacy, Cybersecurity and Data Protection teams oversee the data privacy and data protection strategy, processes, governance and compliance for the Group, including annual review of Data Privacy & Protection policy, relevant divisional compliance attestations, process improvements or gaps remediations. Data Privacy team regularly reports on the data privacy & protection status via ERM to management and ARC.
8. ERM department reports to the Board on a quarterly basis through the ARC on the risk profile of the Group and the progress of action plans to manage and respond to the risks.
9. Legal function identifies, advises and ensures compliance with laws and regulations. The legal function also reviews and addresses business risks in relation to the Group's transactions.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of Maxis' system of risk management and internal control. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Maxis' system of internal control that would require separate disclosure in the Integrated Annual Report. The CEO and CFO have provided assurance to the Board that the Maxis' risk management and internal control system, in all material aspects, is operating adequately and effectively.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgments and accounting estimates that are reasonable in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Incorporated on pages 91 to 200 of this Integrated Annual Report are the financial statements of the Group and the Company for the financial year ended 31 December 2022.

Directors' Report

The Directors hereby submit their Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

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 19(a) to the financial statements.

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

FINANCIAL RESULTS

	Group RM'million	Company RM'million
Profit for the financial year attributable to:		
- equity holders of the Company	1,182	1,549
- non-controlling interests	(1)	-
	1,181	1,549

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

Subsequent to the financial year, on 23 February 2023, the Directors declared a fourth interim single-tier tax-exempt dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2022 which will be paid on 30 March 2023. The financial statements for the financial year ended 31 December 2022 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 2023.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2022.

Directors' Report

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 7,826,271,010 ordinary shares to 7,830,148,710 ordinary shares by the issuance of 3,877,700 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 32(a) to the financial statements.

During the financial year, 12,758,500 PS Grant under the LTIP were granted to the eligible employees of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary 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 2022 and ending on 31 December 2024, as stipulated by the Remuneration Committee. The vesting date is on 30 June 2025, 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 2022	24
Total granted	13
Total vested	(4)
Total forfeited	(3)
Total outstanding as at 31 December 2022	30

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

Directors' Report

DIRECTORS

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

Non-Executive Directors

Tan Sri Mokhzani bin Mahathir

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda

Alvin Michael Hew Thai Kheam

Lim Ghee Keong

Dato' Hamidah Naziadin

Mohammed Abdullah K. Alharbi

Mazen Ahmed M. AlJubeir

Abdulaziz Abdullah M. Alghamdi

Uthaya Kumar A/L K Vivekananda

(Appointed on 30 March 2022)

Ooi Huey Tyng

(Appointed on 30 March 2022)

Robert Alan Nason

(Resigned on 30 June 2022)

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/date of acquisition to the date of the Report is as follows:

Susan Yuen Su Min

Ong Soo Chan

Su Puay Leng

Siow Shy Teng

Chew Choo Soon

Joachim Karel F.Vandaele

Barry Ooi Eu Hock

Tan Toi Ngee

Eer Kai Song

Loh Keh Jiat

(Appointed on 10 May 2022)

Claire Margaret Featherstone

(Appointed on 1 August 2022, ceased as alternate Director to Paul McManus on 31 July 2022)

Wong Chui Fen

(Appointed on 3 October 2022)

Goh Seow Eng

(Appointed on 1 December 2022)

Paul McManus

(Resigned on 31 July 2022)

Tai Kam Leong (alternate Director to Loh Keh Jiat)

(Appointed on 16 June 2022 and resigned on 4 November 2022)

Gokhan Ogut

(Resigned on 30 November 2022)

Norman Wayne Treeby

(Resigned on 23 September 2022)

Directors' Report

DIRECTORS' BENEFITS

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

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

The Directors' benefits are as follows:

	2022	
	Group RM'million	Company RM'million
<u>Non-Executive Directors</u>		
Fees	4	4

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 1.1.2022	Acquired	Sold	At 31.12.2022
<u>Direct Interest</u>				
Tan Sri Mokhzani bin Mahathir	750,000	-	-	750,000
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000	-	-	750,000
<u>Indirect Interest</u>				
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 RM0.7 million and RM0.2 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 6 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 except as disclosed in Note 39 to the financial statements.

Directors' Report

SUBSIDIARIES

The details of subsidiaries are set out in Note 19(a) to the financial statements.

AUDITORS

Details of auditors' remuneration are as follows:

	2022	
	Group RM	Company RM
PricewaterhouseCoopers PLT (LLP0014401–LCA & AF 1146)	1,547,900	414,000
Member firms of PricewaterhouseCoopers PLT	1,658,818	16,000
	3,206,718	430,000

The auditors, PricewaterhouseCoopers PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 8 March 2023.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

Kuala Lumpur

Statements of Profit or Loss

for the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
Revenue	7	9,789	9,241	1,547	1,412
Traffic, device, commissions and other direct costs		(3,822)	(3,472)	-	-
Spectrum licence fees		(259)	(271)	-	-
Network costs		(518)	(479)	-	-
Staff and resource costs	8	(813)	(735)	-	-
Operation and maintenance costs		(394)	(401)	-	-
Marketing costs		(189)	(180)	-	-
Impairment of receivables and deposits, net		(107)	(17)	-	-
Government grant and other income		301	271	*	*
Other operating expenses		(49)	(95)	(10)	(9)
Depreciation and amortisation	10	(1,721)	(1,649)	-	-
Finance income	11(a)	30	22	16	15
Finance costs	11(b)	(437)	(473)	*	*
Profit before tax	12	1,811	1,762	1,553	1,418
Tax expenses	13	(630)	(454)	(4)	(3)
Profit for the financial year		1,181	1,308	1,549	1,415
Attributable to:					
- equity holders of the Company		1,182	1,308		
- non-controlling interests		(1)	-		
		1,181	1,308		
Earnings per share attributable to equity holders of the Company:					
- basic (sen)	14(a)	15.1	16.7		
- diluted (sen)	14(b)	15.1	16.7		

* 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 2022

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Profit for the financial year		1,181	1,308	1,549	1,415
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss:</i>					
- net change in cash flow hedge	33(c)	3	12	-	-
Total comprehensive income for the financial year		1,184	1,320	1,549	1,415
Attributable to					
- equity holders of the Company		1,185	1,320		
- non-controlling interests		(1)	-		
		1,184	1,320		

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

Statements of Financial Position

as at 31 December 2022

	Note	Group			Company	
		31.12.2022 RM'million	31.12.2021 RM'million (Restated)	1.1.2021 RM'million (Restated)	2022 RM'million	2021 RM'million
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	16	5,639	5,193	4,931	-	-
Intangible assets	17	11,507	11,474	11,461	-	-
Right-of-use assets	18	1,887	1,854	1,767	-	-
Investments in subsidiaries	19	-	-	-	25,138	25,135
Financial assets at fair value through other comprehensive income ("FVOCI")	21	4	4	4	4	4
Receivables, deposits and prepayments	22	1,226	1,068	1,093	-	-
Deferred tax assets	24	1	*	*	-	-
TOTAL NON-CURRENT ASSETS		20,264	19,593	19,256	25,142	25,139
CURRENT ASSETS						
Inventories	25	8	5	3	-	-
Receivables, deposits and prepayments	22	2,136	1,654	1,927	5	5
Amounts due from related parties	26	9	*	11	-	-
Loans due from a subsidiary	19	-	-	-	309	308
Derivative financial instruments	23	*	*	-	-	-
Tax recoverable		*	*	*	-	-
Deposits, cash and bank balances	27	628	1,191	735	32	32
TOTAL CURRENT ASSETS		2,781	2,850	2,676	346	345
TOTAL ASSETS		23,045	22,443	21,932	25,488	25,484

* 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 2022

	Note	Group			Company	
		31.12.2022 RM'million	31.12.2021 RM'million (Restated)	1.1.2021 RM'million (Restated)	2022 RM'million	2021 RM'million
LESS:						
CURRENT LIABILITIES						
Provisions for liabilities and charges	28	144	137	130	-	-
Payables and accruals	29	3,807	3,527	3,460	1	1
Amount due to a subsidiary	19	-	-	-	*	*
Amounts due to related parties	26	32	20	17	-	-
Borrowings	31	283	2,034	255	-	-
Derivative financial instruments	23	6	9	5	-	-
Taxation		171	19	57	2	2
TOTAL CURRENT LIABILITIES		4,443	5,746	3,924	3	3
NET CURRENT (LIABILITIES)/ASSETS		(1,662)	(2,896)	(1,248)	343	342
NON-CURRENT LIABILITIES						
Provisions for liabilities and charges	28	366	335	326	-	-
Payables and accruals	29	385	145	188	-	-
Deferred income	30	913	528	537	-	-
Borrowings	31	9,582	8,056	9,508	-	-
Derivative financial instruments	23	-	-	17	-	-
Deferred tax liabilities	24	985	908	717	-	-
TOTAL NON-CURRENT LIABILITIES		12,231	9,972	11,293	-	-
NET ASSETS		6,371	6,725	6,715	25,485	25,481
EQUITY						
Share capital	32	2,585	2,564	2,547	2,585	2,564
Reserves	33	3,784	4,161	4,168	22,900	22,917
Total equity attributable to owners of the Company		6,369	6,725	6,715	25,485	25,481
Non-controlling interests		2	-	-	-	-
TOTAL EQUITY		6,371	6,725	6,715	25,485	25,481

* Less than RM1 million.

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

Statements of Changes in Equity

for the Financial Year Ended 31 December 2022

<-----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 33(a)) RM'million	Reserve arising from reverse acquisition (Note 33(b)) RM'million	Other reserves (Note 33(c)) RM'million	Retained earnings RM'million	Total RM'million	Non-controlling interests RM'million	Total equity RM'million
At 1 January 2022		7,826	2,564	22,729	(22,729)	64	4,097	6,725	-	6,725
Acquisition of non-wholly owned subsidiaries		-	-	-	-	-	-	-	3	3
Profit for the financial year		-	-	-	-	-	1,182	1,182	(1)	1,181
Other comprehensive income for the financial year		-	-	-	-	3	-	3	-	3
Total comprehensive income for the financial year		-	-	-	-	3	1,182	1,185	(1)	1,184
Dividends provided for or paid	15	-	-	-	-	-	(1,566)	(1,566)	-	(1,566)
LTIP and incentive arrangement	33	4	21	-	-	5	(1)	25	-	25
Total transactions with owners, recognised directly in equity		4	21	-	-	5	(1,567)	(1,541)	-	(1,541)
At 31 December 2022		7,830	2,585	22,729	(22,729)	72	3,712	6,369	2	6,371

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 2022

<-----Attributable to equity holders of the Company----->								
Group	Note	Issued and fully paid ordinary shares		Merger relief (Note 33(a)) RM'million	Reserve arising from reverse acquisition (Note 33(b)) RM'million	Other reserves (Note 33(c)) RM'million	Retained earnings RM'million	Total equity RM'million
		Number of shares 'million	Share capital RM'million					
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	15	-	-	-	-	-	(1,330)	(1,330)
LTIP and incentive arrangement	33	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.

Statements of Changes in Equity

for the Financial Year Ended 31 December 2022

Company	Note	Issued and fully paid ordinary shares		Merger relief (Note 33(a)) RM'million	Other reserves (Note 33(c)) RM'million	Retained earnings RM'million	Total equity RM'million
		Number of shares 'million	Share capital RM'million				
At 1 January 2022		7,826	2,564	22,729	86	102	25,481
Total comprehensive income for the financial year		-	-	-	-	1,549	1,549
Dividends provided for or paid	15	-	-	-	-	(1,566)	(1,566)
LTIP	33	4	21	-	1	(1)	21
Total transactions with owners, recognised directly in equity		4	21	-	1	(1,567)	(1,545)
At 31 December 2022		7,830	2,585	22,729	87	84	25,485

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

Statements of Changes in Equity

for the Financial Year Ended 31 December 2022

Company	Note	Issued and fully paid ordinary shares		Merger relief (Note 33(a)) RM'million	Other reserves (Note 33(c)) RM'million	Retained earnings RM'million	Total equity RM'million
		Number of shares 'million	Share capital 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	15	-	-	-	-	(1,330)	(1,330)
LTIP	33	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 Cash Flows

for the Financial Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		1,181	1,308	1,549	1,415
Adjustments for:					
Impairment of receivables and deposits (net)	34(b)	156	76	-	-
Impairment/(reversal) of inventories obsolescence (net)		*	(*)	-	-
Amortisation of:					
- contract cost assets	22(e)	207	197	-	-
- intangible assets	17	312	181	-	-
- deferred income	30	(150)	(152)	-	-
Bad debts recovered		(48)	(59)	-	-
Dividend income	7	-	-	(1,547)	(1,412)
Unrealised fair value loss/(gain) on forward foreign exchange contracts		1	(1)	-	-
Unrealised (gain)/ loss on foreign exchange differences		(2)	3	-	-
Depreciation of:					
- property, plant and equipment	16	1,065	1,162	-	-
- right-of-use assets	18	344	306	-	-
Property, plant and equipment:					
- losses on disposal		(*)	1	-	-
- net allowance for impairment	16	(7)	10	-	-
- write-offs	16	17	21	-	-
Termination of lease contracts		(12)	(18)	-	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	28	(7)	(3)	-	-
- staff incentive scheme	28	133	121	-	-
- contract obligations	28	6	-	-	-
Share-based payments		32	27	-	-
Finance costs	11	437	473	*	*
Finance income	11	(30)	(22)	(16)	(15)
Tax expenses	13	630	454	4	3
		4,265	4,085	(10)	(9)
Government grant relating to costs		99	85	-	-
Payments for:					
- site rectification and decommissioning works	28	(1)	(1)	-	-
- staff incentive scheme	28	(130)	(113)	-	-
Operating cash flows before working capital changes		4,233	4,056	(10)	(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 2022

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Changes in working capital:					
Inventories		(3)	(2)	-	-
Receivables		(1,043)	8	*	(1)
Payables		488	(32)	(*)	*
Balances with:					
- related parties		3	13	-	-
- subsidiaries		-	-	*	*
Cash flows from operations		3,678	4,043	(10)	(10)
Dividends received		-	-	1,547	1,412
Interest received		30	21	19	17
Tax paid		(405)	(301)	(4)	(2)
Tax refund		-	-	*	-
Net cash flows from operating activities		3,303	3,763	1,552	1,417
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans granted to subsidiaries		-	-	(1,374)	(786)
Loan repayments from subsidiaries		-	-	1,370	704
Dividends received		-	-	65	-
Investments in subsidiaries		-	-	(326)	(10)
Capital repayment from a subsidiary		-	-	258	-
Property, plant and equipment and intangible assets:					
- purchase		(1,720)	(1,633)	-	-
- disposal proceeds		*	*	-	-
Consideration paid for business combinations (net of cash acquired)		(111)	(10)	-	-
Government grant relating to the purchase of assets	30	535	143	-	-
Withdrawal of deposits with maturity of more than three months		*	3	-	-
Net cash flows used in investing activities		(1,296)	(1,497)	(7)	(92)

* 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 2022

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	-	21	17
Share-based Incentive arrangement:					
- disposal of shares		1	-	-	-
- acquisition of shares		(7)	(7)	-	-
Drawdown of borrowings		1,500	2,300	-	-
Repayments of:					
- borrowings		(1,750)	(2,050)	-	-
- lease liabilities	18(iii)	(320)	(264)	-	-
Payments of finance costs		(428)	(456)	*	*
Ordinary share dividends paid	15	(1,566)	(1,330)	(1,566)	(1,330)
Net cash flows used in financing activities		(2,570)	(1,807)	(1,545)	(1,313)
NET (DECREASE)/INCREASE					
CASH AND CASH EQUIVALENTS		(563)	459	*	12
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		1,164	705	32	20
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	27	601	1,164	32	32

* Less than RM1 million.

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

Notes to the Financial Statements

31 December 2022

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 19(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.

Notes to the Financial Statements

31 December 2022

2 BASIS OF PREPARATION (CONTINUED)

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

The Group and the Company have applied the following amendments to published standards for the financial year beginning on 1 January 2022:

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

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

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

The amendments below to published standards are effective for the financial year beginning on or after 1 January 2023. 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 101, MFRS Practice Statement 2 and MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates”
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- Amendments to MFRS 101 “Classification of liabilities as current or non-current” (‘2020 amendments’) and “Non-current Liabilities with Covenants” (‘2022 amendments’)
- Amendments to MFRS 16 “Lease Liability in a Sale and Leaseback”

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) *Subsidiaries (continued)*

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of consolidation (continued)****(ii) Changes in ownership interests in subsidiaries without change of control**

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

(b) 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.

(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.

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

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

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

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

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

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Intangible assets (continued)****(i) Spectrum rights**

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

For other spectrum rights, the intangible asset that is initially recognised at the date of acquisition includes an estimate for the future anticipated variable costs. Subsequent changes on such estimates will be recognised against the cost of the asset.

Spectrum rights are considered to have a finite life and thus are amortised on a straight-line basis over the period of expected benefit and assessed at each reporting date for any indication of impairment. Upon the expiry of the Spectrum Assignment ("SA") periods, costs to renew spectrum rights that are previously acquired as part of a business combination are charged to the statement of profit or loss during the SA periods.

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

Spectrum rights acquired as part of a business combination	15 - 16 years
Other spectrum rights	2 - 5 years

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

See accounting policy Note 3(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.

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(iii) Goodwill

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

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

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

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. See accounting policy Note 3(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 2.5 – 8 years.

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

(v) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. It has a finite useful life that ranges between 1 to 8 years and are amortised on a straight-line basis over the period of the expected benefits and assessed at each reporting date whether any indication of impairment exists. See accounting policy Note 3(g) on impairment of non-financial assets.

Notes to the Financial Statements

31 December 2022

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.

Notes to the Financial Statements

31 December 2022

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.

Notes to the Financial Statements

31 December 2022

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.

Notes to the Financial Statements

31 December 2022

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 amounts due from related parties.

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

Significant increase in credit risk

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

The following indicators are incorporated:

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

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

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

Definition of default and credit-impaired financial assets

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

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

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

Notes to the Financial Statements

31 December 2022

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**(a) Collective assessment**

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

(b) Individual assessment

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

Write-off**(a) Trade receivables, finance lease receivables, contract assets and amounts due from related parties.**

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

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

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

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial liabilities

(i) *Classification and measurement*

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

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

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

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

(ii) *Recognition and derecognition*

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

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

Offsetting of financial assets and financial liabilities

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

(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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Impairment of non-financial assets (continued)**

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

(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.

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 23. Movements on the hedging reserve in shareholders' equity are shown in Note 33(c). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

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

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash flow hedge (continued)

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

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

(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.

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(k) Trade and other receivables (continued)**

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance. See Note 3(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.

(i) Lease term

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

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

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

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

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Leases (continued)

Accounting as lessee (continued)

(ii) ROU assets (continued)

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

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

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

(iii) Lease liabilities

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

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

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

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

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

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

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

Accounting as a lessor

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) Leases (continued)****Accounting as a lessor (continued)****(i) Finance leases**

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

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

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

(ii) Operating leases

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

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

(iii) Separating lease and non-lease components

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

(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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(q) Borrowings (continued)****(i) Borrowings in a designated hedging relationship**

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

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

(ii) Borrowings not in a designated hedging relationship

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

(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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions for liabilities and charges (continued)

(ii) *Staff incentive scheme*

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

(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.

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(t) Employee benefits****(i) Short-term employee benefits**

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

(ii) Defined contribution plans

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

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

(iii) Share-based compensation benefits

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

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

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

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

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(iii) *Share-based compensation benefits (continued)*

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.

(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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(u) Income recognition (continued)****(i) Revenue from contract with customers (continued)**Telecommunications revenue (continued)

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

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

Sale of device

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

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

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

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.

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Income recognition (continued)

(i) Revenue from contract with customers (continued)

Customer loyalty programme

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

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

(ii) Interest revenue

Interest revenue on receivables from contracts with customers with significant financing components is recognised over the customer's contract period using an effective interest rate reflecting the customers' credit risk.

(iii) Contract assets

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

(iv) Contract liabilities

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

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

(v) Dividend income

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

(vi) Interest income

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

Notes to the Financial Statements

31 December 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) Deferred income – Government grant

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

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

Government grants relating to the purchase of assets are included in non-current liabilities in the statement of financial position as deferred income and are credited to the statement of profit or loss as income on a straight-line basis over the expected useful lives of the corresponding assets.

(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.

(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.

Notes to the Financial Statements

31 December 2022

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) 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 17 to the financial statements for the key assumptions on the impairment assessment of goodwill.

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

The Group reviews annually the estimated useful lives and assesses for indicators of impairment of property, plant and equipment and software within the intangible assets based on factors such as business plans and strategies, historical sector and industry trends, general market and economic conditions, regulatory landscape, expected level of usage, future technological developments and other available information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. Any impairment or reduction in the estimated useful lives would increase charges to the statement of profit or loss and decrease their carrying value. See Note 16 to the financial statements for the impact of the changes in the estimated useful lives of property, plant and equipment.

Notes to the Financial Statements

31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions – Group (continued)

(c) Provisions for liabilities and charges

The Group recognises provisions for liabilities and charges when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provision requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate. See Note 28 to the financial statements for the impact on changes in estimates.

(d) Revenue recognition for contracts with customers

Identification of performance obligation

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

Principal versus agent

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

Determining stand-alone selling price ("SSP")

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

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

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

Notes to the Financial Statements

31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical accounting estimates and assumptions – Group (continued)

(e) Income taxes

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

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

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 38.

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

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

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

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

Notes to the Financial Statements

31 December 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)**Critical accounting estimates and assumptions – Group (continued)****(g) Provision for expected credit losses of trade receivables and contract assets**

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

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

Critical accounting estimates and 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 17 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 discount rate, compounded annual growth rates of revenue and EBITDA 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	
	2022 RM'million	2021 RM'million (restated)
Malaysia	9,536	8,893
Other countries ⁽¹⁾	253	348
Total revenue	9,789	9,241
EBITDA	3,938	3,876

Note:

⁽¹⁾ Represents revenue from roaming and hubbing business.

Notes to the Financial Statements

31 December 2022

6 ACQUISITION OF SUBSIDIARIES

During the financial year, the Group has acquired the below subsidiaries:

(i) Enterprise Managed Services Sdn. Bhd. (formerly known as Mykris Asia Sdn. Bhd.) (“EMS”)

On 14 January 2022, the Group acquired the entire share capital of EMS, a company that provides managed network services and security solutions, to reinforce the Group’s capacity and capabilities to support its Enterprise customers. The maximum purchase consideration is RM158 million which comprises a base consideration of up to RM115 million and subsequent payments of up to RM43 million payable over 3 years upon achieving certain financial performance targets. Acquisition related costs of RM2 million has been recognised as expenses in the statement of profit or loss in the previous financial year.

The details of net assets acquired and net cash outflow on acquisition of EMS is analysed as follows:

	As at date of acquisition RM'million
Purchase consideration comprises:	
Cash paid	107
Contingent consideration	10
	117
Net assets:	
Intangible assets	15
Receivables	8
Property, plant and equipment	2
Deferred tax assets	1
Deferred tax liabilities	(4)
Other net identifiable assets	(5)
Less: impairment of receivables	(2)
Goodwill on acquisition	102

The fair value of the assets and liabilities ensuing from the acquisition had been determined based on fair values assigned to identifiable assets and liabilities on acquisition date. The residual goodwill on acquisition represents the value of assets and earnings that do not form separable assets under MFRS 3 but nevertheless are expected to contribute to the future results of the Group.

Contribution of revenue and expenses to the Group is recognised from the beginning of the financial year in which EMS was acquired. Consequently, EMS’ revenue of RM45 million and net profit of RM5 million for the period from 15 January 2022 to 31 December 2022 have been included in the statement of profit or loss of the Group. These results are not significantly different if the acquisition had occurred on 1 January 2022.

(ii) Gurulab Sdn. Bhd. (“GSB”)

On 6 May 2022, the Group acquired 59% share capital of GSB, a new Edutech startup for a cash consideration of RM4 million with a RM2 million goodwill recognised.

(iii) ComeBy Sdn. Bhd. (“CSB”)

On 30 June 2022, the Group acquired 56% share capital of CSB, a retail solution company for a cash consideration of RM5 million with a RM2 million goodwill recognised.

Contribution of revenue and expenses from the beginning of the financial year in which GSB and CSB were acquired is not significant to the Group.

Notes to the Financial Statements

31 December 2022

7 REVENUE

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
Revenue comprises the following:					
Revenue from contracts with customers	(a)	9,661	9,155	-	-
Interest revenue	(b)	73	38	-	-
Lease income	(c)	55	48	-	-
Dividend income from subsidiaries		-	-	1,547	1,412
		9,789	9,241	1,547	1,412

(a) Revenue from contracts with customers

	Group	
	2022 RM'million	2021 RM'million
(i) Disaggregation of revenue from contracts with customers:		
- Telecommunications services and solutions		
- postpaid	4,316	4,025
- prepaid	2,693	2,715
- others	1,199	1,192
	8,208	7,932
- Sale of devices	1,453	1,223
	9,661	9,155
(ii) Timing of revenue recognition:		
- at a point in time	2,691	2,575
- over time	6,970	6,580
	9,661	9,155

Notes to the Financial Statements

31 December 2022

7 REVENUE (CONTINUED)

(b) Interest revenue

The Group offers devices in bundled contracts that allow customers to pay for the devices over a period of up to 36 months. The interest revenue represents the significant financing component of such contracts. Refer to Note 37 on the details of the comparatives restatement.

(c) Lease income

The Group, as a lessor, leases certain network telecommunications sites under operating leases. The leases run for a period of 3 months to 3 years (2021: 3 months to 3 years).

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

	Group	
	2022 RM'million	2021 RM'million
Within one year	24	25
Later than one year but not later than five years	14	18
	38	43

(d) Unsatisfied performance obligations

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

	Group	
	2022 RM'million	2021 RM'million
Telecommunications services	1,806	1,820

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 (2021: 36 months).

8 STAFF AND RESOURCE COSTS

The staff and resource costs incurred by the Group net of capitalisation in property, plant and equipment and intangible assets during the financial year comprise:

	Group	
	2022 RM'million	2021 RM'million
Salaries and bonuses	612	562
Defined contribution plan	87	79
Other short-term employee benefits	82	67
Share-based payments	32	27
	813	735

Notes to the Financial Statements

31 December 2022

9 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	
	2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Non-Executive Directors				
Fees	4	3	4	3
Estimated monetary value of benefits-in-kind	-	*	-	*
Total Directors' remuneration	4	3	4	3

* Less than RM1 million.

(b) Key management personnel remuneration

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

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

	Group	
	2022 RM'million	2021 RM'million
Salaries and other short-term employee benefits	41	32
Defined contribution plan	2	1
Share-based payments	17	11
Estimated monetary value of benefits-in-kind	*	1
	60	45

Total key management personnel remuneration of the Group and of the Company for the financial year is RM64 million (2021: RM48 million) and RM4 million (2021: RM3 million) respectively.

* Less than RM1 million.

Notes to the Financial Statements

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10 DEPRECIATION AND AMORTISATION

	Note	Group	
		2022 RM'million	2021 RM'million
Depreciation of:			
- property, plant and equipment	16	1,065	1,162
- right-of-use assets	18	344	306
Amortisation of intangible assets	17	312	181
		1,721	1,649

11 FINANCE INCOME AND COSTS

	Note	Group		Company	
		2022 RM'million	2021 RM'million (Restated)	2022 RM'million	2021 RM'million
(a) Finance income					
Interest income on:					
- deposits with licensed banks		30	22	1	*
- loans due from a subsidiary		-	-	15	15
		30	22	16	15
(b) Finance costs					
Accretion of site rectification and decommissioning works costs and changes in costs estimate on provision (net)	28	14	12	-	-
Interest expense on:					
- borrowings		306	318	-	-
- supplier financing	29(a)	19	23	-	-
- lease liabilities	18	85	109	-	-
Net fair value loss on interest rate swap ("IRS"):					
- cash flow hedge, reclassified from equity	33(c)	8	9	-	-
Others		5	2	*	*
		437	473	*	*

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

12 PROFIT BEFORE TAX

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

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Impairment of receivables and deposits (net)	34(b)	156	76	-	-
Amortisation of:					
- contract cost assets	22(e)	207	197	-	-
- intangible assets	17	312	181	-	-
- deferred income	30	(150)	(152)	-	-
Bad debts recovered		(48)	(59)	-	-
Commissions and incentives		363	355	-	-
Depreciation of:					
- property, plant and equipment	16	1,065	1,162	-	-
- right-of-use assets	18	344	306	-	-
Device expenses		1,702	1,442	-	-
Fair value (gains)/losses on forward foreign exchange contracts					
- realised		(12)	(2)	-	-
- unrealised		1	(1)	-	-
Government grant relating to costs		(99)	(85)	-	-
Inter-operator traffic expenses		429	551	-	-
Licences and Universal Service Provision ("USP") contributions under the Communications and Multimedia Act, 1998 and subsidiary legislation		368	378	-	-

	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- fees for statutory audits:				
- auditors of the Group	926,500	1,005,500	40,000	38,200
- fees for audit related services:				
- auditors of the Group ⁽¹⁾	621,400	890,500	374,000	486,000
- others	112,600	112,600	-	-
- fees for other services:				
- member firms of PwC Malaysia ⁽²⁾	1,658,818	2,824,542	16,000	15,000

Notes:

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

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

Notes to the Financial Statements

31 December 2022

12 PROFIT BEFORE TAX (CONTINUED)

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

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Losses/(gains) on foreign exchange differences:					
- realised		7	1	*	*
- unrealised		(2)	3	-	-
Management fees charged by a subsidiary		-	-	4	3
Property, plant and equipment:					
- (gain)/losses on disposal		(*)	1	-	-
- net (reversal of)/allowance for impairment	16	(7)	10	-	-
- write-offs	16	17	21	-	-
(Write-back of)/provision for (net):					
- site rectification and decommissioning works	28	(7)	(3)	-	-
- staff incentive scheme (included in staff and resource costs)	28	133	121	-	-
Rental of:	18				
- equipment		18	12	-	-
- land and buildings		(2)	14	-	-
- network cell sites		55	47	-	-
Termination of lease contracts		(12)	(18)	-	-

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

13 TAX EXPENSES

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Current tax:					
- current year		559	268	4	3
- (over)/under accruals in prior years		(2)	(5)	*	(*)
		557	263	4	3
Deferred tax:					
- origination and reversal of temporary differences		73	191	-	-
- recognition and reversal of prior years' temporary differences		(*)	3	-	-
- changes in tax rate		-	(3)	-	-
	24	73	191	-	-
Tax expenses		630	454	4	3

* Less than RM1 million.

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

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

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
<u>Numerical reconciliation between the Malaysian tax rate and average effective tax rate</u>				
Malaysian tax rate	33	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	-	-
- change in tax rate	-	(1)	-	-
- income not subject to tax	-	-	(24)	(24)
Average effective tax rate	35	26	1	1

Notes to the Financial Statements

31 December 2022

14 EARNINGS PER SHARE

(a) Basic earnings per share

	Group	
	2022	2021
Profit attributable to the equity holders of the Company (RM'million)	1,182	1,308
Weighted average number of issued ordinary shares ('million)	7,828	7,825
Basic earnings per share (sen)	15.1	16.7

(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 32(a) to the financial statements, in addition to the passage of time. They are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the financial year.

	Group	
	2022	2021
Profit attributable to the equity holders of the Company (RM'million)	1,182	1,308
Weighted average number of issued ordinary shares ('million)	7,828	7,825
Adjustment for LTIP ('million)	4	4
Adjusted weighted average number of ordinary shares for diluted earnings per share ('million)	7,832	7,829
Diluted earnings per share (sen)	15.1	16.7

Notes to the Financial Statements

31 December 2022

15 DIVIDENDS

	Company			
	2022		2021	
	Sen	RM'million	Sen	RM'million
Single-tier tax-exempt ordinary dividends				
- In respect of previous financial year				
- fourth and special interim (2021: fourth interim)	5.0	391	5.0	391
- In respect of current financial year				
- first interim	5.0	391	4.0	313
- second interim	5.0	392	4.0	313
- third interim	5.0	392	4.0	313
	20.0	1,566	17.0	1,330

Subsequent to the financial year, on 23 February 2023, the Directors declared a fourth interim single-tier tax-exempt dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2022 which will be paid on 30 March 2023.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2022.

Notes to the Financial Statements

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16 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
<u>2022</u>									
<u>Net book value</u>									
At 1 January		11	52	4,211	3	220	594	102	5,193
Additions ⁽¹⁾		-	-	2	1	5	1,394	119	1,521
Changes in cost estimates	28	-	-	7	-	-	-	-	7
Depreciation	10	-	(2)	(923)	(1)	(139)	-	-	(1,065)
Reversal of impairment	12	-	-	-	-	-	-	7	7
Transfers		-	-	1,317	-	203	(1,338)	(182)	-
Reclassification to intangible assets	17	-	-	(7)	-	-	-	-	(7)
Write-offs	12	-	-	(13)	-	(4)	-	-	(17)
At 31 December		11	50	4,594	3	285	650	46	5,639
<u>At 31 December 2022</u>									
Cost		11	75	12,032	23	1,731	650	55	14,577
Accumulated depreciation		-	(25)	(7,438)	(20)	(1,446)	-	-	(8,929)
Accumulated impairment		-	-	-	-	-	-	(9)	(9)
Net book value		11	50	4,594	3	285	650	46	5,639

⁽¹⁾ Includes RM2 million assets acquired through acquisition of subsidiaries as disclosed in Note 6 to the financial statements.

Notes to the Financial Statements

31 December 2022

16 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
<u>2021</u>									
<u>Net book value</u>									
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	28	-	-	(6)	-	-	-	-	(6)
Depreciation	10	-	(1)	(986)	(1)	(174)	-	-	(1,162)
Impairment	12	-	-	-	-	-	-	(10)	(10)
Transfers		-	-	1,098	-	137	(1,058)	(177)	-
Reclassification to intangible assets	17	-	-	(1)	-	(44)	-	-	(45)
Disposal		-	-	-	-	-	-	(1)	(1)
Write-offs	12	-	-	(18)	-	(3)	-	-	(21)
At 31 December		11	52	4,211	3	220	594	102	5,193
<u>At 31 December 2021</u>									
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

In the previous financial year, the Group revised the useful lives of certain telecommunications equipment ranging from 4 to 10 years to remaining useful lives ranging from 1 to 7 years. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year had increased by RM10 million.

Notes to the Financial Statements

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17 INTANGIBLE ASSETS

Group	Goodwill	Telecom- munications licences	Spectrum rights	Other spectrum rights	Customer relationships	Software	Software development	Total	
	Note	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	
<u>2022</u>									
<u>Net book value</u>									
At 1 January		9,581	*	1,337	-	-	527	29	11,474
Acquisitions of subsidiaries		106	-	-	-	15	-	-	121
Additions		-	-	-	137	-	-	80	217
Transfers		-	-	-	-	-	83	(83)	-
Reclassification from property, plant and equipment	16	-	-	-	-	-	7	-	7
Amortisation charge	10	-	-	(119)	(43)	(7)	(143)	-	(312)
At 31 December		9,687	*	1,218	94	8	474	26	11,507
<u>At 31 December</u>									
Cost		9,687	*	1,396	137	15	803	26	12,064
Accumulated amortisation		-	-	(178)	(43)	(7)	(329)	-	(557)
Net book value		9,687	*	1,218	94	8	474	26	11,507

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

17 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 development 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	16	-	-	-	-	-	45	-	45
Amortisation charge	10	-	-	(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.

In the current financial year, the Group revised the useful lives of certain software assets from 36 to 30 months. The revision was accounted for as a change in accounting estimate and as a result, the amortisation charge for the financial year has increased by RM12 million.

(i) Goodwill

Included in the carrying value is goodwill worth RM9,530 million (2021: RM9,530 million) that arose from the Company's acquisition of the entire issued and paid-up share capital of the subsidiaries previously held by Maxis Communication Berhad ("MCB") pursuant to a restructuring exercise completed in financial year 2009 to consolidate the telecommunications operations in Malaysia under the Company ("Pre-Listing Restructuring").

During the financial year, the Group completed the acquisition of 3 subsidiaries to enhance the Group's capacity and capabilities to support the Group's corporate customers. It is also in line with the Group's commitment to foster innovation. These acquisitions were accounted for as business combinations under MFRS 3.

As disclosed in Note 6, the Group recognised a total goodwill of RM106 million for the newly acquired subsidiaries and allocated it to the converged telecommunications services and solutions CGU as the subsidiaries provides synergy to the Group's existing business.

(ii) Spectrum rights

Spectrum rights consist of rights to spectrum bands previously acquired during the Pre-Listing Restructuring exercise in financial year 2009 and it includes the frequency band of 900MHz and 2100MHz. As disclosed in Note 22(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").

Notes to the Financial Statements

31 December 2022

17 INTANGIBLE ASSETS (CONTINUED)

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 (2021: 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 5.7% and 1.0% (2021: 9% and 4%) respectively and capital expenditure 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"), current regulatory landscape and future expectations of business performance;
- (b) post-tax discount rate of 8.8% (2021: 7.8%). In accordance with the requirements of MFRS 136 "Impairment of Assets", this translates into a pre-tax discount rate of 12.5% (2021: 13.5%). The discount rates used reflect specific risks relating to the converged telecommunications services and solutions CGU; and
- (c) terminal growth rate of 2.7% (2021: 2.7%) represents the growth rate applied to extrapolate pre-tax cash flow beyond the five (2021: five) year financial budget period. This growth rate is based on management's assessment of future trends in the mobile telecommunications industry, the operating and regulatory landscape under SWN, new growth opportunities in fixed broadband and enterprise business, using both external and internal sources.

Based on the sensitivity analysis performed, the Directors have concluded that any variation of 10% (2021: 10%) in the base case assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

Notes to the Financial Statements

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18 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
2022				
At 1 January		1,745	109	1,854
Additions ⁽¹⁾		381	43	424
Terminations		(103)	(1)	(104)
Depreciation	10	(293)	(51)	(344)
Remeasurement ⁽²⁾		28	29	57
At 31 December		1,758	129	1,887
2021				
At 1 January		1,632	135	1,767
Additions		531	11	542
Terminations		(175)	(1)	(176)
Depreciation	10	(271)	(35)	(306)
Remeasurement ⁽²⁾		28	(1)	27
At 31 December		1,745	109	1,854

Notes:⁽¹⁾ Includes RM1 million assets acquired through acquisition of subsidiaries.⁽²⁾ Remeasurement due to revision in lease term and lease payments

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

	Note	Group	
		2022 RM'million	2021 RM'million
Interest expense	11(b)	85	109
Rental expenses relating to short-term leases	12	71	73
		156	182

Notes to the Financial Statements

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18 RIGHT-OF-USE (“ROU”) ASSETS (CONTINUED)

(iii) Amounts recognised in the statement of cash flows

	Group	
	2022 RM'million	2021 RM'million
Payments of finance costs	85	109
Repayment of lease liabilities	320	264
Total cash outflows for leases	405	373

19 INTERESTS IN SUBSIDIARIES

	Note	Company	
		2022 RM'million	2021 RM'million
Non-current asset:			
- investments in subsidiaries	(a)	25,138	25,135
Current asset:			
- loans due from a subsidiary	(b)	309	308
Current liability:			
- amount due to a subsidiary	(c)	*	*
		25,447	25,443

* Less than RM1 million.

(a) Investments in subsidiaries

	Company	
	2022 RM'million	2021 RM'million
<u>Unquoted shares, at carrying value</u>		
At 1 January	25,094	25,084
Subscriptions of:		
- ordinary shares	7	10
- non cumulative convertible redeemable preference shares (“NCCRPS”)	319	-
Recovery of cost of investment through dividend income	(65)	-
Capital repayment by a subsidiary	(258)	-
	25,097	25,094
Fair value of share grants, over the Company’s equity instruments for employees of subsidiaries, net of shares issued	41	41
	25,138	25,135

Notes to the Financial Statements

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19 INTERESTS IN SUBSIDIARIES (CONTINUED)

(a) Investments in subsidiaries (continued)

During the financial year, dividends totaling to RM65 million that were received from the Company's wholly owned subsidiary, Maxis Mobile Services Sdn Bhd ("MMSSB") were recognised as return of capital thereby reducing the costs of investments. Additionally, the Company received RM258 million from MMSSB arising from its capital reduction exercise.

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 17 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 4% (2021: 10%) in the base case assumptions would not cause the carrying amount of the investment to exceed its recoverable amount.

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	
			2022	2021
Advanced Wireless Technologies Sdn. Bhd. ("AWTSB") (Registration No. 200001014945 (517551-U))	Malaysia	Investment holding.	100%	100%
Maxis Broadband Sdn. Bhd. ("MBSB") (Registration No. 199201002549 (234053-D))	Malaysia	Provider of a full suite of converged telecommunications, digital and related services and solutions, and corporate support and services functions to its related parties.	100%	100%
Maxis Collections Sdn. Bhd. (Registration No. 199601010926 (383275-M))	Malaysia	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%

Notes to the Financial Statements

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19 INTERESTS IN SUBSIDIARIES (CONTINUED)

(a) Investments in subsidiaries (continued)

Information on the subsidiaries is as follows: (continued)

Name	Country of incorporation and place of business	Principal activities	Proportion of ownership interests held by the Group	
			2022	2021
<u>Subsidiaries of AWTSB</u>				
UMTS (Malaysia) Sdn. Bhd. (Registration No. 200001017815 (520422-D))	Malaysia	Dormant.	100%	100%
ComeBy Sdn. Bhd. ("CSB") (Registration No.202201005948 (1451645-D) ^{(2) (3)}	Malaysia	Providing hardware and software solutions for retailers.	56%	-
Gurulab Sdn. Bhd. ("GSB") (Registration No. 202101027625 (1427925-U) ^{(2) (3)}	Malaysia	Development of technology platforms to aid online learning and provision of educational services.	59%	-
<u>Subsidiary of MMSB</u>				
Maxis Mobile (L) Ltd (LL-01709) ⁽¹⁾	Malaysia	Under members' voluntary winding up.	100%	100%
<u>Subsidiary of MBSB</u>				
Enterprise Managed Services Sdn. Bhd. (formerly known as Mykris Asia Sdn. Bhd.) (Registration No.200001010593 (513199-T))	Malaysia	Provision of managed network services and other network services.	100%	-

Note:

- ⁽¹⁾ Maxis Mobile (L) Ltd is a company registered under the Labuan Companies Act, 1990, with shares issued in USD and is under members' voluntary winding up.
- ⁽²⁾ During the financial year, the Group acquired 56% and 59% ownership in CSB and GSB respectively, giving rise to non-controlling interests ("NCI") of 44% and 41%. As at the reporting date, the total non-controlling interest is RM2 million.
- ⁽³⁾ These entities are audited by firms other than member firms of PwC Malaysia.

(b) Loans due from a subsidiary – Interest bearing

At the end of the financial year, the loans due from a subsidiary are unsecured, carry interest of 4.33% (2021: 3.13% to 3.40%) per annum and maturity date of 29 March 2023 (2021: 29 March 2022 to 8 April 2022).

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.

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19 INTERESTS IN SUBSIDIARIES (CONTINUED)

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

The amount due to subsidiary was unsecured and with 30 days credit period (2021: 30 days).

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Financial assets:					
Loans due from a subsidiary	19	-	-	309	308
Receivables and deposits		2,152	1,371	*	*
Amounts due from related parties	26	9	*	-	-
Deposits, cash and bank balances	27	628	1,191	32	32
Financial assets at amortised costs		2,789	2,562	341	340
Financial assets at FVOCI	21	4	4	4	4
Derivative financial instruments	23	*	*	-	-
Financial liabilities:					
Payables and accruals		3,750	3,043	1	1
Amount due to a subsidiary	19	-	-	*	*
Amounts due to related parties	26	32	20	-	-
Borrowings	31	9,865	10,090	-	-
Financial liabilities at amortised costs		13,647	13,153	1	1
Other payables and accruals		20	22	-	-
Derivative financial instruments	23	6	9	-	-
Financial liabilities at fair value through profit or loss		26	31	-	-

* Less than RM1 million.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Company	
	2022 RM'million	2021 RM'million
Unquoted shares	4	4

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

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22 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group			Company	
		31.12.2022 RM'million	31.12.2021 RM'million (Restated)	1.1.2021 RM'million (Restated)	2022 RM'million	2021 RM'million
Non-current						
Trade receivables	(a)	337	138	108	-	-
Deposits		164	153	146	-	-
Finance lease receivables	(b)	1	*	6	-	-
Contract assets	(c)	47	65	60	-	-
Prepayments	(d)	541	601	662	-	-
Contract cost assets, net of amortisation	(e)	141	114	116	-	-
		1,231	1,071	1,098	-	-
Impairment:	34(b)					
- trade receivables		(3)	(1)	(3)	-	-
- finance lease receivables		(*)	(*)	(*)	-	-
- contract assets		(2)	(2)	(2)	-	-
		(5)	(3)	(5)	-	-
		1,226	1,068	1,093	-	-
Current						
Trade receivables	(a)	1,225	984	1,273	-	-
Other receivables		530	157	281	5	5
Deposits		83	72	72	*	*
Finance lease receivables	(b)	*	9	24	-	-
Contract assets	(c)	193	209	147	-	-
Prepayments	(d)	139	204	190	*	*
Contract cost assets, net of amortisation	(e)	157	166	144	-	-
		2,327	1,801	2,131	5	5
Impairment:	34(b)					
- trade receivables		(145)	(105)	(168)	-	-
- other receivables		(*)	(1)	(2)	-	-
- deposits		(40)	(35)	(26)	-	-
- finance lease receivables		(*)	(*)	(1)	-	-
- contract assets		(6)	(6)	(7)	-	-
		(191)	(147)	(204)	-	-
		2,136	1,654	1,927	5	5
		3,362	2,722	3,020	5	5

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

22 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)**(a) Trade receivables**

Gross trade receivables include receivables on deferred payment terms amounting to RM788 million (2021: RM421 million), which allow eligible customers to pay for the devices in bundled contracts over a period of up to 36 months. Other than that, the Group's credit policy provides trade receivables with credit periods of up to 120 days (2021: up to 120 days).

Trade receivables are secured by customers' deposits and bank guarantees of RM25 million (2021: RM25 million) and RM15 million (2021: RM15 million) respectively.

Information about the impairment of trade receivables and the Group's exposure to credit risk is disclosed in Note 34(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	
	2022 RM'million	2021 RM'million
Less than 1 year	*	9
1 to 2 years	1	*
Total undiscounted lease payment receivables	1	9
Unearned finance income	(*)	(*)
	1	9

* Less than RM1 million.

(c) Contract assets

	Group	
	2022 RM'million	2021 RM'million
At 1 January	274	207
Transfer to receivables	(638)	(358)
Additions due to revenue recognised during the year	604	425
Net (decrease)/increase during the year	(34)	67
	240	274
Less: Impairment	(8)	(8)
At 31 December	232	266

(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 (2021: 15 to 16 years).

Notes to the Financial Statements

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22 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(e) Contract cost assets

	Note	Group	
		2022 RM'million	2021 RM'million
At 1 January		280	260
Capitalisation		225	217
Amortisation charge	12	(207)	(197)
At 31 December		298	280

23 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	Group	
		2022 RM'million	2021 RM'million
<u>Current assets</u>			
<i>Derivatives designated in hedging relationship</i>			
Forward foreign exchange contracts:			
- cash flow hedge on forecast transactions	(b)	*	*
<i>Derivatives not designated in hedging relationship</i>			
Forward foreign exchange contracts	(b)	*	*
		*	*
<u>Current liabilities</u>			
<i>Derivatives designated in hedging relationship</i>			
IRS:			
- cash flow hedge on RM denominated borrowings	(a)	-	(8)
Forward foreign exchange contracts:			
- cash flow hedge on forecast transactions	(b)	(5)	(*)
<i>Derivatives not designated in hedging relationship</i>			
Forward foreign exchange contracts	(b)	(1)	(1)
		(6)	(9)

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**(a) IRS contract**

The Group had previously entered into an IRS contract to hedge its exposure to interest rate risk on borrowings which the Group had fully settled during the current financial year.

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

	Group	
	2022	2021
Notional principal (RM'million)	-	500
Fixed Interest rate	-	4.69%

(b) Forward foreign exchange contracts

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

Group	Contract value in foreign currency ('million)	Notional Value (RM 'million)	Predetermined exchange rates
<u>2022</u>			
USD/RM	41	183	RM4.40 to RM4.68/USD
SGD/RM	6	19	RM3.21 to RM3.35/SGD
HKD/RM	47	27	RM0.57 to RM0.60/HKD
<u>2021</u>			
USD/RM	42	178	RM4.17 to RM4.26/USD

24 DEFERRED TAXATION

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

	Group	
	2022 RM'million	2021 RM'million
Deferred tax assets	1	*
Deferred tax liabilities	(985)	(908)
	(984)	(908)

* Less than RM1 million.

Notes to the Financial Statements

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24 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
2022											
At 1 January		(732)	(393)	(98)	(80)	145	234	509	(469)	(24)	(908)
Acquisition of subsidiaries		-	(3)	-	-	-	-	-	-	*	(3)
(Charged)/credited to statement of profit or loss:											
- origination and reversal of temporary differences	13	(149)	97	35	9	(43)	(22)	(20)	16	4	(73)
At 31 December		(881)	(299)	(63)	(71)	102	212	489	(453)	(20)	(984)
2021											
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	13	(152)	8	(20)	(4)	7	(32)	19	(21)	1	(194)
- changes in tax rate	13	(12)	(8)	(27)	(14)	40	28	24	(24)	(4)	3
At 31 December		(732)	(393)	(98)	(80)	145	234	509	(469)	(24)	(908)

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

24 DEFERRED TAXATION (CONTINUED)

	Group	
	2022 RM'million	2021 RM'million
Deferred tax assets (before offsetting):		
- lease liabilities	489	509
- provisions	212	234
- contract liabilities	102	145
	803	888
Offsetting	(802)	(888)
Deferred tax assets (after offsetting)	1	*
Deferred tax liabilities (before offsetting):		
- right-of-use asset	(453)	(469)
- property, plant and equipment	(881)	(732)
- intangible assets	(299)	(393)
- receivables	(63)	(98)
- contract cost assets	(71)	(80)
- others	(20)	(24)
	(1,787)	(1,796)
Offsetting	802	888
Deferred tax liabilities (after offsetting)	(985)	(908)

* Less than RM1 million.

25 INVENTORIES

	Group	
	2022 RM'million	2021 RM'million
Telecommunications materials and supplies	5	3
Devices and equipment	3	2
	8	5

26 RELATED PARTIES BALANCES

	Note	Group	
		2022 RM'million	2021 RM'million
<u>Current asset</u>			
Amounts due from related parties		16	5
Less: impairment	34(b)(ii)	(7)	(5)
		9	*
<u>Current liability</u>			
Amounts due to related parties		(32)	(20)

* 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 (2021: up to 90 days).

Notes to the Financial Statements

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27 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Deposits with licensed banks	409	1,074	30	28
Cash and bank balances	219	117	2	4
Deposits, cash and bank balances	628	1,191	32	32
Less: Deposits with maturity more than three months	(27)	(27)	-	-
Cash and cash equivalents	601	1,164	32	32

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 average maturity periods of 33 days (2021: 45 days) and 28 days (2021: 20 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.

Reconciliation of liabilities arising from financing activities:

Group	2021 RM'million	Cash flows ⁽¹⁾ RM'million	Non-cash changes					2022 RM'million	
			Interest expense RM'million	Fair value changes RM'million	Non-cash settlement RM'million	Additions RM'million	Terminations RM'million		Remeasurement RM'million
Borrowings	8,066	(545)	306	-	-	-	-	-	7,827
Lease liabilities	2,024	(405)	85	-	(31)	424	(116)	57	2,038
Derivative financial liabilities held to hedge borrowings	8	(8)	8	(8)	-	-	-	-	-
	10,098	(958)	399	(8)	(31)	424	(116)	57	9,865

Group	2020 RM'million	Cash flows ⁽¹⁾ RM'million	Non-cash changes					2021 RM'million	
			Interest expense RM'million	Fair value changes RM'million	Non-cash settlement RM'million	Additions RM'million	Terminations RM'million		Remeasurement RM'million
Borrowings	7,821	(73)	318	-	-	-	-	-	8,066
Lease liabilities	1,942	(373)	109	-	(29)	542	(194)	27	2,024
Derivative financial liabilities held to hedge borrowings	17	(9)	9	(9)	-	-	-	-	8
	9,780	(455)	436	(9)	(29)	542	(194)	27	10,098

Note:

⁽¹⁾ Excluding interest paid on trade payables under supplier financing.

Notes to the Financial Statements

31 December 2022

28 PROVISIONS FOR LIABILITIES AND CHARGES

Group	Note	Site rectification and decommissioning works RM'million	Staff incentive scheme RM'million	Contract obligations RM'million	Total RM'million
2022					
At 1 January		349	123	-	472
Capitalised		16	-	-	16
Changes in cost estimates:					
- included in profit before tax	12	(4)	-	-	(4)
- included in property, plant and equipment	16	7	-	-	7
(Credited)/charged to statement of profit or loss:					
- included in profit before tax	12	(3)	133	6	136
- included in finance costs	11(b)	14	-	-	14
Paid		(1)	(130)	-	(131)
At 31 December		378	126	6	510
Represented by:					
Non-current liabilities		363	3	-	366
Current liabilities		15	123	6	144
		378	126	6	510
2021					
At 1 January		341	115	-	456
Capitalised		6	-	-	6
Changes in cost estimates:					
- included in profit before tax	12	(2)	-	-	(2)
- included in property, plant and equipment	16	(6)	-	-	(6)
Charged to statement of profit or loss:					
- included in profit before tax	12	(1)	121	-	120
- included in finance costs	11(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

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

Notes to the Financial Statements

31 December 2022

28 PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Site decommissioning works

As at 31 December 2022, a non-current provision of RM363 million (2021: RM332 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 (2021: 15 to 30 years).

29 PAYABLES AND ACCRUALS

	Note	Group			Company	
		31.12.2022 RM'million	31.12.2021 RM'million (Restated)	1.1.2021 RM'million (Restated)	2022 RM'million	2021 RM'million
<u>Non-current</u>						
Trade payables under supplier financing	(a)	355	128	172	-	-
Other payables and accruals	(b)	30	17	16	-	-
		385	145	188	-	-
<u>Current</u>						
Trade payables and accruals		2,170	1,673	1,700	-	-
Trade payables under supplier financing	(a)	851	877	838	-	-
Other payables and accruals	(b)	148	337	334	1	1
Deposits and advanced payments from customers		225	226	186	-	-
Contract liabilities	(c)	413	414	402	-	-
		3,807	3,527	3,460	1	1
		4,192	3,672	3,648	1	1

Current trade and other payables of the Group and of the Company carry credit periods of up to 365 days and 90 days (2021: 270 days and 90 days) respectively.

(a) Trade payables under supplier financing

The trade payables under supplier financing are RM payables for goods and services under extended payment schemes which the suppliers have assigned the amounts receivable from the Group to their banks. The Group pays the banks on the due dates of the invoices which ranges from 3 to 36 months from invoice dates. The payables are unsecured. As at 31 December, RM832 million (2021: RM515 million) payables carry interests at annual rates ranging from 2.57% to 4.69% (2021: 2.57% to 4.08%) as at the reporting date.

Notes to the Financial Statements

31 December 2022

29 PAYABLES AND ACCRUALS (CONTINUED)**(a) Trade payables under supplier financing (continued)**

Movements in the balances are as follows:

	Group	
	2022 RM'million	2021 RM'million
At 1 January	1,005	1,010
Additions	1,623	1,071
Interest accretion	19	23
Payments	(1,441)	(1,099)
At 31 December	1,206	1,005

Repayment profiles as below:

Not later than 1 year	872	885
Later than 1 year and not later than 2 years	303	121
Later than 2 years	61	9
	1,236	1,015
Future finance charges	(30)	(10)
	1,206	1,005

(b) Other payables and accruals

Included within other payables and accruals are deferred contingent considerations in relation to the business combinations amounting to RM20 million (2021: RM22 million) payable upon achievement of certain targets in year 2022 to 2024 (2021: year 2022 to 2024).

(c) Contract liabilities

	Group	
	2022 RM'million	2021 RM'million
At 1 January	414	402
Revenue recognised that was included in the contract liability balance at 1 January	(385)	(401)
Increases due to cash received, excluding amounts recognised as revenue during the year	384	413
At 31 December	413	414

As disclosed in Note 23 to the financial statements, foreign currencies denominated payables amounting to USD16 million, SGD2 million and HKD20 million (2021: USD10 million) are hedged against exchange rate fluctuations using forward foreign exchange contracts for which no hedge accounting is applied.

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30 DEFERRED INCOME

	Note	Group	
		2022 RM'million	2021 RM'million (Restated)
At 1 January		528	537
Additions		535	143
Release to profit or loss	12	(150)	(152)
At 31 December		913	528

Deferred income of the Group relates to the government grants for the purchase of assets. Refer to Note 37 for the details of the comparative restatement.

31 BORROWINGS

	Note	Group	
		2022 RM'million	2021 RM'million
Non-current			
Secured			
Lease liabilities		1,755	1,762
Unsecured			
Term loans	(a)(ii)	594	593
Islamic Medium Term Notes	(b)	4,789	3,259
Commodity Murabahah Term Financing	(c)	1,944	1,943
Business Financing-i	(d)	500	499
		9,582	8,056
Current			
Secured			
Lease liabilities		283	262
Unsecured			
Term loans	(a)(i)	-	500
Islamic Medium Term Notes	(b)	-	1,272
		283	2,034
		9,865	10,090

Notes to the Financial Statements

31 December 2022

31 BORROWINGS (CONTINUED)

(a) Term loans

(i) RM1.0 billion term loan

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

The Group had partially prepaid RM500 million of this facility in the previous financial year and fully repaid the remaining facility upon its maturity.

As disclosed in Note 23 to the financial statements, the Group had fully settled the IRS contract that hedged the floating interest rate of this term loan facility against the Kuala Lumpur Interbank Offered Rate upon the IRS maturity.

(ii) RM600 million term loan

This 7-year term loan facility expires on 29 December 2027, with 50% of the outstanding facility repayable in 3 equal semi-annual instalments commencing on 29 June 2026 and 50% repayable upon maturity.

(b) Islamic Medium Term Notes – Sukuk Murabahah

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

During the current financial year, the Group:

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

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

As at the reporting date, the total outstanding nominal value of the Sukuk Murabahah amounted to RM4.74 billion (2021: RM4.49 billion) with remaining tenure of 2.5 to 10 years (2021: 2 months to 8 years).

Notes to the Financial Statements

31 December 2022

31 BORROWINGS (CONTINUED)

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

The Group has a CMTF facility of up to RM2.5 billion based on the Islamic principle of Murabahah and had fully drawn down the facility. This facility expires on 7 April 2024 and is repayable in one lump sum on its expiry date.

The Group had partially prepaid RM350 million of this facility in the previous financial year, reducing the outstanding facility to RM1.94 billion.

(d) Business Financing-i (“BF-i”)

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

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

Contractual terms of borrowings

Group	Contractual interest/profit rate/effective interest rate at reporting date (per annum)	Total carrying amount RM'million	Maturity profile			
			< 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
<u>At 31 December 2022</u>						
Secured						
Lease liabilities	4.39%	2,038	283	260	599	896
Unsecured						
Term loans	0.85% + KLIBOR ⁽²⁾	594	-	-	594	-
Islamic Medium Term Notes	3.35% - 5.40%	4,789	-	-	2,704	2,085
CMTF	0.70% + COF ⁽¹⁾	1,944	-	1,944	-	-
Business Financing-i	0.70% + COF ⁽¹⁾	500	-	-	500	-
		9,865	283	2,204	4,397	2,981

Notes:

⁽¹⁾ COF denotes Cost of Funds.

⁽²⁾ KLIBOR denotes Kuala Lumpur Interbank Offered Rate.

Notes to the Financial Statements

31 December 2022

31 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

Group	Contractual interest/profit rate/effective interest rate at reporting date (per annum)	Total carrying amount RM'million	Maturity profile			
			< 1 year RM'million	1-2 years RM'million	2-5 years RM'million	> 5 years RM'million
<u>At 31 December 2021</u>						
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.

32 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;

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32 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

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: (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, 12,758,500 (2021: 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 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 2022 and ending on 31 December 2024, as stipulated by the Remuneration Committee. The vesting date is on 30 June 2025, subject to meeting such performance targets.

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31 December 2022

32 SHARE CAPITAL (CONTINUED)

(a) LTIP (continued)

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

Grant date	Vesting date	Number of share grants over ordinary shares in the Company ('million)					Outstanding as at 31 December
		Outstanding as at 1 January	Granted	Vested	Forfeited	Outstanding as at 31 December	
2022							
16 December 2019	30 June 2022	6	-	(4)	(2)	-	
7 September 2020	30 June 2023	8	-	-	(*)	8	
9 September 2021	30 June 2024	10	-	-	(1)	9	
6 September 2022	30 June 2025	-	13	-	(*)	13	
		24	13	(4)	(3)	30	
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	

* Less than 1 million.

The weighted average fair value of share grants under the PS Grant based on observable market price was RM3.75 (2021: RM4.73).

Value of employee services received under the LTIP:

	Group		Company	
	2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Share-based payment expense	22	24	22	24
Capitalised as investments in subsidiaries for share-based payments allocated to the employees of the subsidiaries	-	-	(22)	(24)
Total expense recognised as share-based payments	22	24	-	-

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31 December 2022

32 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, 1,752,500 shares (2021: 1,395,100 shares) of the Company were acquired from the open market and are currently held by CIMB Commerce Trustee Berhad or its nominee. Subject to fulfilment of the vesting conditions and the terms of the incentive arrangement, these shares will vest on the eligible key management personnel on a deferred basis.

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

	Group	
	2022 'million	2021 'million
At 1 January	3	2
Acquired	2	1
Vested	(1)	-
Forfeited	(*)	-
At 31 December	4	3

* Less than 1 million.

The weighted average fair value of shares acquired under the incentive arrangement based on observable market price was RM3.80 (2021: RM4.69).

The value of employee services received under the incentive arrangement was RM10 million (2021: RM3 million).

33 RESERVES

(a) Merger relief

The merger relief was created prior to the listing and quotation exercise of the Company's shares on the Main Market of Bursa Malaysia Securities Berhad in financial year 2009 ("Listing") during the Pre-Listing Restructuring exercise. Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of the subsidiaries is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

(b) Reserve arising from reverse acquisition

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

Notes to the Financial Statements

31 December 2022

33 RESERVES (CONTINUED)

(c) Other reserves

Group	Note	Share-based payments RM'million	Cash flow hedging RM'million	Total RM'million
<u>2022</u>				
At 1 January		72	(8)	64
Net change in hedging:				
- fair value loss		-	(5)	(5)
- reclassified to finance costs	11(b)	-	8	8
LTIP:				
- share-based payment expense		22	-	22
- shares issued		(21)	-	(21)
Incentive arrangement:				
- share-based payment expense		10	-	10
- shares acquired		(7)	-	(7)
- shares disposed		1	-	1
At 31 December		77	(5)	72
<u>2021</u>				
At 1 January		69	(20)	49
Net change in hedging:				
- fair value gain		-	3	3
- reclassified to finance costs	11(b)	-	9	9
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

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

33 RESERVES (CONTINUED)

(c) Other reserves (continued)

	Company	
	2022 RM'million	2021 RM'million
<u>Share-based payments</u>		
At 1 January	86	79
LTIP:		
- share-based payment expense	22	24
- shares issued	(21)	(17)
At 31 December	87	86

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

- discount on shares issued to retail investors in relation to the Listing;
- fair value of share grants less any shares issued under the LTIP; and
- 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 foreign currency transactions of the Group.

34 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.

Notes to the Financial Statements

31 December 2022

34 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.

Group	Currency exposure at 31 December				
	SGD RM'million	USD RM'million	SDR ⁽¹⁾ RM'million	HKD RM'million	Others RM'million
In functional currency Ringgit Malaysia					
<u>2022</u>					
Receivables and deposits	*	3	13	-	*
Deposits, cash and bank balances	*	15	-	*	-
Payables	(8)	(99)	(9)	(11)	(4)
Amounts due to related parties, net	-	(6)	(*)	-	-
Gross exposure	(8)	(87)	4	(11)	(4)
Forward foreign exchange contracts:					
- payables	8	69	-	11	-
Net exposure	(*)	(18)	4	(*)	(4)
<u>2021</u>					
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)

Notes:

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

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

34 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.

Group	Impact on profit before tax for the financial year				Impact on equity ⁽¹⁾	
	2022	2021	2022	2021		
	RM'million	RM'million	RM'million	RM'million		
USD/RM						
- strengthened 5% (2021: 5%)	(1)	(2)	5	9		
- weakened 5% (2021: 5%)	1	2	(5)	(9)		

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

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.

Notes to the Financial Statements

31 December 2022

34 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
<u>At 31 December 2022</u>							
Deposits with licensed banks	3.45	409	-	409	-	-	-
Trade payables under supplier financing	3.68	(832)	-	(477)	(295)	(60)	-
Other payables	4.35	(102)	-	(72)	(30)	-	-
Lease liabilities	4.39	(2,038)	-	(283)	(260)	(599)	(896)
Term loans	3.83	(594)	(594)	-	-	-	-
Islamic Medium Term Notes	4.07	(4,789)	-	-	-	(2,704)	(2,085)
CMTF	3.96	(1,944)	(1,944)	-	-	-	-
Business Financing-i	3.94	(500)	(500)	-	-	-	-
Exposure		<u>(10,390)</u>	<u>(3,038)</u>				

Notes to the Financial Statements

31 December 2022

34 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
<u>At 31 December</u>							
<u>2021</u>							
Deposits with licensed banks	2.02	1,074	-	1,074	-	-	-
Trade payables under supplier financing	2.99	(515)	-	(387)	(120)	(8)	-
Other payables	3.13	(22)	-	(4)	(13)	(5)	-
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		<u>(9,553)</u>	<u>(3,535)</u>				
IRS:							
- term loan	4.69		500	(500)	-	-	-
Net exposure			<u>(3,035)</u>				

Notes to the Financial Statements

31 December 2022

34 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
<u>At 31 December 2022</u>			
Loans due from a subsidiary	4.33	309	309
Deposits with licensed banks	3.60	30	30
		<u>339</u>	
<u>At 31 December 2021</u>			
Loans due from a subsidiary	3.32	308	308
Deposits with licensed banks	1.89	28	28
		<u>336</u>	

The sensitivity of the Group's profit before tax for the financial year and equity to a reasonably possible change in RM (2021: RM) interest rates with all other factors held constant and based on composition of liabilities with floating interest rates as at the reporting date are as follows:

Group	Impact on profit before tax for the financial year		Impact on equity ⁽¹⁾	
	2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
RM				
- increased by 0.5% (2021: 0.5%)	(15)	(15)	-	(*)
- decreased by 0.5% (2021: 0.5%)	15	15	-	*

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 in the previous financial year, as these were effectively hedged, the interest rate movements will not have any impact on the statement of profit or loss.

Notes to the Financial Statements

31 December 2022

34 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, contract assets and derivative financial instruments. They do not expect any third parties to fail to meet their obligations given the Group's and the Company's policies of selecting creditworthy counterparties.

Trade receivables, finance lease receivables and contract assets

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

Concentration of credit risk

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

Impairment of trade receivables, finance lease receivables and contract assets

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

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

Notes to the Financial Statements

31 December 2022

34 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 2022							
Expected loss rate ⁽¹⁾	0.5% - 12.0%	3.0% - 52.6%	11.0% - 81.1%	22.0% - 100%	38.8% - 100%	62.1% - 100%	
Gross carrying amount:							
Trade receivables	1,348	64	37	22	19	72	1,562
Finance lease receivables	1	-	-	-	-	-	1
Contract assets	240	-	-	-	-	-	240
	1,589	64	37	22	19	72	1,803
Loss allowance:							
Trade receivables	(33)	(14)	(13)	(12)	(13)	(63)	(148)
Finance lease receivables	(*)	-	-	-	-	-	(*)
Contract assets	(8)	-	-	-	-	-	(8)
	(41)	(14)	(13)	(12)	(13)	(63)	(156)

Notes:

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

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

34 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
<u>31 December</u>							
<u>2021</u>							
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)

Note:

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

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

34 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:

Group	Note	Trade receivables		Finance lease receivables		Contract assets		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
		RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
1 January		106	171	*	1	8	9	114	181
Charged to statement of profit or loss	12	158	89	*	-	3	4	161	93
Reversed from statement of profit or loss	12	(8)	(24)	(*)	(1)	(3)	(5)	(11)	(30)
Amount written off		(108)	(130)	-	-	-	-	(108)	(130)
31 December		148	106	*	*	8	8	156	114

* 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.

Notes to the Financial Statements

31 December 2022

34 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:

	Note	Group	
		2022 RM'million	2021 RM'million
(i) <u>Other receivables and deposits</u>			
1 January		36	28
Charged to statement of profit or loss	12	20	15
Reversed from statement of profit or loss	12	(16)	(7)
Amount written off		-	*
31 December		40	36
(ii) <u>Amounts due from related parties</u>			
1 January		5	-
Charged to statement of profit or loss	12	2	5
31 December		7	5

* Less than RM1 million.

Derivative financial instruments

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

(c) Liquidity risk

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

As at 31 December 2022, the Group has RM5.3 billion that is available for issuance under the Unrated Sukuk Murabahah Programme, as disclosed in Note 31 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.

Notes to the Financial Statements

31 December 2022

34 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
<u>At 31 December 2022</u>					
Payables and accruals ^{(1) (2)}	3,800	3,404	335	61	-
Amounts due to related parties	32	32	-	-	-
Lease liabilities ⁽²⁾	2,586	372	337	764	1,113
Borrowings ⁽²⁾	9,020	309	2,201	4,295	2,215
	15,438	4,117	2,873	5,120	3,328
<u>At 31 December 2021</u>					
Payables and accruals ^{(1) (2)}	3,084	2,935	133	16	-
Amounts due to related parties	20	20	-	-	-
Lease liabilities ⁽²⁾	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

Notes:

- ⁽¹⁾ Foreign currency denominated financial instruments are translated to RM using closing rate as at the reporting date.
- ⁽²⁾ As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not reconcile with the amounts disclosed in the statements of financial position.

Notes to the Financial Statements

31 December 2022

34 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
<u>At 31 December 2022</u>		
Payables and accruals	1	1
Amount due to a subsidiary	*	*
	1	1
<u>At 31 December 2021</u>		
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 2022.

Notes to the Financial Statements

31 December 2022

34 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 trade payables under supplier financing as disclosed in Note 29 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	
		2022 RM'million	2021 RM'million
Total interest bearing financial liabilities		9,865	10,098
Less: Deposits, cash and bank balances	27	(628)	(1,191)
Net debt		9,237	8,907
Total equity		6,371	6,725
Gearing ratio		1.5	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			
		2022		2021	
		Carrying amount RM'million	Fair value RM'million	Carrying amount RM'million	Fair value RM'million
Financial liability:					
Borrowings					
- Islamic Medium Term					
Notes	31	4,789	4,834	4,531	4,569

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

Notes to the Financial Statements

31 December 2022

34 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:

	Note	Group	
		2022 RM'million	2021 RM'million
Derivative financial instruments:			
- Assets	23	*	*
- Liabilities	23	(6)	(9)
		(6)	(9)

* Less than RM1 million.

The fair value of the IRS contract was previously 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	
	2022 RM'million	2021 RM'million
At 1 January	22	19
Additions	3	3
Payments	(5)	-
Accretion of finance cost	*	*
At 31 December	20	22

* Less than RM1 million.

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

Notes to the Financial Statements

31 December 2022

34 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:

	Note	Group		Company	
		2022 RM'million	2021 RM'million	2022 RM'million	2021 RM'million
Financial assets at FVOCI	21	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 amount of recognised financial liabilities set-off in the statement of financial position RM'million	Net amounts of financial assets presented in the statement of financial position RM'million	Related amounts not off-set in the statement of financial position		Net amount RM'million
				Financial instruments RM'million	Cash collateral received RM'million	
<u>At 31 December 2022</u>						
Receivables and deposits	446	(77)	369	-	(25)	344
Amounts due from related parties	25	(9)	16	-	-	16
	471	(86)	385	-	(25)	360
<u>At 31 December 2021</u>						
Receivables and deposits	459	(67)	392	-	(25)	367
Amounts due from related parties	21	(15)	6	-	-	6
	480	(82)	398	-	(25)	373

Notes to the Financial Statements

31 December 2022

34 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 amount 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		Net amount RM'million
				Financial instruments RM'million	Cash collateral received RM'million	
<u>At 31 December 2022</u>						
Payables and accruals	223	(77)	146	(25)	-	121
Amounts due to related parties	41	(9)	32	-	-	32
	264	(86)	178	(25)	-	153
<u>At 31 December 2021</u>						
Payables and accruals	204	(67)	137	(24)	-	113
Amounts due to related parties	35	(15)	20	-	-	20
	239	(82)	157	(24)	-	133

35 CAPITAL COMMITMENTS

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

	Group	
	2022 RM'million	2021 RM'million
Property, plant and equipment	488	423

Notes to the Financial Statements

31 December 2022

36 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.

Group	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Sales of goods and services:								
- MEASAT Broadcast Network Systems Sdn. Bhd.(1) (telephony and connectivity services to co-market and distribute content products)	150	111	9	2	-	-	9	2
- Saudi Telecom Company ⁽²⁾ (roaming and international calls)	7	4	1	*	-	-	1	*
- Astro Digital 5 Sdn. Bhd. ⁽¹⁾ (mobile and internet, business solutions and other connectivity services)	1	-	-	-	-	-	-	-
- MEASAT Broadband (International) Ltd ⁽³⁾ (revenue share on bandwidth)	-	3	-	*	-	-	-	*
- Maxis Communications Berhad ⁽⁴⁾ (corporate support services)	1	1	*	*	-	-	*	*
- TGV Cinemas Sdn. Bhd. ⁽⁵⁾ (telephony and broadband services)	4	2	4	2	-	-	4	2
- UTSB Management Sdn. Bhd. ⁽⁵⁾ (mobile and internet, business solutions and other connectivity services)	1	-	-	-	-	-	-	-

Notes to the Financial Statements

31 December 2022

36 RELATED PARTIES (CONTINUED)

Group	Transaction value		Balance outstanding		Commitments		Total balance outstanding, including commitments	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Purchases of goods and services from:								
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (customer acquisition and installation charges)	18	20	-	-	-	-	-	-
- Saudi Telecom Company ("STC") ⁽²⁾ (roaming and international calls)	7	4	-	-	-	-	-	-
- MEASAT Global Berhad Group ⁽³⁾ (transponder and teleport lease rental)	29	32	(13)	(5)	(21)	(25)	(34)	(30)
- Tanjong City Centre Property Management Sdn. Bhd. ⁽⁵⁾ (rental, service charge, property service and other utility charges)	41	40	-	-	(101)	(125)	(101)	(125)
- UTSB Management Sdn. Bhd. ⁽⁵⁾ (corporate management services)	29	30	(6)	(4)	(79)	(21)	(85)	(25)
- SRG Asia Pacific Sdn. Bhd. ⁽⁶⁾ (call handling and telemarketing services)	20	22	(6)	(5)	-	-	(6)	(5)

Notes to the Financial Statements

31 December 2022

36 RELATED PARTIES (CONTINUED)**Notes:**

The Group has entered into the above related party transactions with parties whose relationships are set out below.

Usaha Tegas Sdn. Bhd. ("UTSB"), Saudi Telecom Company and Harapan Nusantara Sdn. Bhd. are parties related to the Company, by virtue of having joint control over Binariang GSM Sdn. Bhd. ("BGSM"), pursuant to a shareholders' agreement in relation to BGSM. BGSM is the ultimate holding company of the Company.

The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in all of the shares of the Company in which UTSB has an interest, PanOcean does not have any economic or beneficial interest in the shares of the Company, as such interest is held subject to the terms of the discretionary trust.

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

	Company	
	2022 RM'million	2021 RM'million
Subscription of preference shares in:		
- MBSB	310	-
- AWTSB	9	-
Management fees charged by a subsidiary	3	3
Payment on behalf of operating expenses for subsidiaries	*	*

* Less than RM1 million.

Notes to the Financial Statements

31 December 2022

37 RESTATEMENT OF COMPARATIVES

During the financial year, the Group restated the comparatives of the following items. The restatement of the following items do not have any impact on the profit after tax of the Group for the financial year ended 31 December 2021.

(a) Deposits

In the Group's statements of financial position, deposits amounted to RM146 million and RM153 million as at 1 January 2021 and 31 December 2021 respectively are reclassified from current assets - receivables, deposits and prepayments to non-current assets - receivables, deposits and prepayments as these deposits are not expected to be realised within the next 12 months from the respective reporting dates.

(b) Government grant

In the Group's statements of financial position, government grants relating to the purchase of assets amounted to RM537 million and RM528 million as at 1 January 2021 and 31 December 2021 respectively are reclassified from current liabilities - payables and accruals to non-current liabilities - deferred income as these grants are expected to be realised over the expected useful life of the corresponding assets.

In the Group's statements of cash flows for the financial year ended 31 December 2021, government grants relating to the purchase of assets of RM143 million are reclassified from the changes in working capital within "cash flows from operating activities" to a separate line item within "cash flows from investing activities". In addition, the following are presented separately within "cash flows from operating activities":

- The amortisation of deferred income of RM152 million is presented as a separate line item from the changes in working capital; and
- The government grants relating to costs of RM85 million is presented as a separate line item from the changes in working capital.

(c) Interest revenue

As part of the Group's strategy to provide converged telecommunications services and solutions, the Group offers devices in bundled contracts that allow customers to pay for the devices over a period of up to 36 months. The interest revenue represents the significant financing component of such device bundled contracts.

This interest revenue which was presented as finance income in the financial year ended 31 December 2021 amounted to RM38 million is reclassified to revenue in the current financial year to provide more relevant revenue information.

Similarly, the finance income in the Group's statements of cash flows for the financial year ended 31 December 2021 is reduced by RM38 million due to the above reclassification of interest revenue and is included within the changes in working capital within "cash flows from operating activities".

Notes to the Financial Statements

31 December 2022

37 RESTATEMENT OF COMPARATIVES (CONTINUED)

The impacts of the above prior year adjustments to the Group's statements of financial position, statements of profit or loss and statements of cash flows for the prior financial years are follows:

Statements of Financial Position

Group	Note	As previously reported RM'million	Adjustments RM'million	Restated RM'million
At 31 December 2021				
<u>Non-current assets</u>				
Receivables, deposits and prepayments	22, 37(a)	915	153	1,068
Total non-current assets		19,440	153	19,593
<u>Current assets</u>				
Receivables, deposits and prepayments	22, 37(a)	1,807	(153)	1,654
Total current assets		3,003	(153)	2,850
<u>Non-current liabilities</u>				
Deferred income	30, 37(b)	-	528	528
Total non-current liabilities		9,444	528	9,972
<u>Current liabilities</u>				
Payables and accruals	29, 37(b)	4,055	(528)	3,527
Total current liabilities		6,274	(528)	5,746
Net current liabilities		(3,271)	375	(2,896)

Notes to the Financial Statements

31 December 2022

37 RESTATEMENT OF COMPARATIVES (CONTINUED)

The impacts of the above prior year adjustments to the Group's statements of financial position, statements of profit or loss and statements of cash flows for the prior financial years are follows: (continued)

Statements of Financial Position (continued)

Group	Note	As previously reported RM'million	Adjustments RM'million	Restated RM'million
At 1 January 2021				
<u>Non-current assets</u>				
Receivables, deposits and prepayments	22, 37(a)	947	146	1,093
Total non-current assets		19,110	146	19,256
<u>Current assets</u>				
Receivables, deposits and prepayments	22, 37(a)	2,073	(146)	1,927
Total current assets		2,822	(146)	2,676
<u>Non-current liabilities</u>				
Deferred income	30, 37(b)	-	537	537
Total non-current liabilities		10,756	537	11,293
<u>Current liabilities</u>				
Payables and accruals	29, 37(b)	3,997	(537)	3,460
Total current liabilities		4,461	(537)	3,924
Net current liabilities		(1,639)	391	(1,248)

Notes to the Financial Statements

31 December 2022

37 RESTATEMENT OF COMPARATIVES (CONTINUED)

The impacts of the above prior year adjustments to the Group's statements of financial position, statements of profit or loss and statements of cash flows for the prior financial years are follows: (continued)

Group	Note	As previously		Restated RM'million
		reported RM'million	Reclassification RM'million	
For the financial year ended 31 December 2021				
<u>Statements of Profit and Loss</u>				
Revenue	7, 37(c)	9,203	38	9,241
	11(a),			
Finance income	37(c)	60	(38)	22
<u>Statements of Cash Flow</u>				
Cash flows from operating activities				
Adjustment for:				
	30,			
Amortisation of deferred income	37(b)	-	(152)	(152)
	11(a),			
Finance income	37(c)	(60)	38	(22)
Government grant relating to costs	37(b)	-	85	85
Operating cash flows before working capital changes		4,085	(29)	4,056
Changes in working capital	37(b),(c)	101	(114)	(13)
Cash flows from operations		4,186	(143)	4,043
Net cash flows from operating activities		3,906	(143)	3,763
Cash flows from investing activities				
	30,			
Government grant relating to the purchase of assets	37(b)	-	143	143
Net cash flows used in investing activities		(1,640)	143	(1,497)

38 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.

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

- (i) In November 2019, the IRB disallowed MBSB from its entitlement to incremental chargeable income exemption for Year of Assessment 2017. A notice of additional assessment of RM37.4 million was issued ("ICI Notice"). In July 2022, The Kuala Lumpur High Court ("High Court") granted leave for MBSB's judicial review application. Consequently, the stay of the enforcement of the ICI Notice is extended until the disposal of the judicial review hearing. The High Court had fixed the judicial review hearing on 9 March 2023.

Notes to the Financial Statements

31 December 2022

38 CONTINGENT LIABILITIES (CONTINUED)

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: (continued)

- (ii) In November 2020, the IRB disallowed MBSB’s deduction of interest expenses incurred for the Years of Assessment 2016 and 2017. Notices of additional assessment totalling RM140 million were issued (“2020 Notices”). The High Court had granted and subsequently extended the interim stay of the enforcement of the 2020 Notices until the disposal of hearing of MBSB’s leave application challenging the 2020 Notices;
- (iii) In March 2021, the IRB disallowed MBSB’s deduction of interest expenses incurred for the Years of Assessment 2018 and 2019. Notices of additional assessment totalling RM230 million were issued (“2021 Notices”). The High Court has granted and subsequently extended the interim stay of the enforcement of the 2021 Notices until the next case management; and
- (iv) In February 2022, the IRB disallowed MBSB’s deduction of interest expenses incurred for the Year of Assessment 2020. Notice of additional assessment totalling RM107 million was initially issued (“2022 Notice”) but subsequently reduced to RM104 million. The High Court has granted the interim stay of the enforcement of the 2022 Notice until the next case management.

The Directors are of the view that no provision is required in the consolidated financial statements for the financial year ended 31 December 2022 based on the facts surrounding the above additional assessments received from the IRB and the legal view obtained from external legal counsel that there is sufficient evidence and case law to support MBSB’s appeals and proceedings against the ICI Notice, 2020, 2021 and 2022 Notices.

39 EVENTS AFTER THE FINANCIAL YEAR

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

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

- (b) On 20 January 2023, the Group announced to postpone the seeking of shareholders’ approval for entry into a 5G access agreement with Digital Nasional Berhad (“DNB”) until the 5G network implementation policy is finalised by the Government of Malaysia.
- (c) On 14 February 2023, the Group had partially prepaid RM200 million of the CMTF facility, reducing the outstanding facility to RM1.74 billion.

40 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 8 March 2023.

Statement by Directors

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

We, Tan Sri Mokhzani bin Mahathir and Uthaya Kumar A/L K Vivekananda, being two of the Directors of Maxis Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 91 to 200 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 2022 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 8 March 2023.

TAN SRI MOKHZANI BIN MAHATHIR
DIRECTOR

UTHAYA KUMAR A/L K VIVEKANANDA
DIRECTOR

Kuala Lumpur

Statutory Declaration

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

I, Wong Chui Fen, the officer primarily responsible for the financial management of Maxis Berhad, do solemnly and sincerely declare that the financial statements set out on pages 91 to 200 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

WONG CHUI FEN
(MIA No. 14844)

Subscribed and solemnly declared by the abovenamed Wong Chui Fen at Kuala Lumpur in Malaysia on 8 March 2023, 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 2022, 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 2022 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 91 to 200.

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.

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 (CONTINUED)

Key audit matters (continued)

Group

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of carrying value of goodwill</p> <p><i>Refer to Note 3(d) - Summary of significant accounting policies: Intangible assets, Note 4(a) - Critical accounting estimates and judgements: Impairment assessment of intangible assets - goodwill and Note 17 - Intangible assets</i></p> <p>We focused on this area due to the size of the carrying value of goodwill, which represented 42% of total assets as at 31 December 2022, 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.</p> <p>Based on the annual impairment test performed, the Directors concluded that no impairment is required for goodwill. The key assumptions and sensitivities are disclosed in Note 17 to the financial statements.</p>	<p>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 2023 and projections for the next 4 years:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> - Agreed the five-year VIU cash flows to the financial budget for 2023 and projections for the next 4 years approved by the Directors; - Compared the historical forecast for 2022 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 2022; 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 2023 and projections for the next 4 years, discussed with management on the capital expenditure and operating expenditures 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

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 (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of carrying value of goodwill (continued)</p> <p><i>Refer to Note 3(d) - Summary of significant accounting policies: Intangible assets, Note 4(a) - Critical accounting estimates and judgements: Impairment assessment of intangible assets - goodwill and Note 17 - Intangible assets (continued)</i></p>	<p>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 2023 and projections for the next 4 years: (continued)</p> <ul style="list-style-type: none"> • 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. <p>Based on the procedures performed above, we did not find any material exceptions to the Directors' conclusion that the goodwill is not impaired as at 31 December 2022.</p>
<p>Notices of additional tax assessments from the Inland Revenue Board</p> <p><i>Refer to Note 3(x) - Summary of significant accounting policies: Contingent liabilities, Note 4(e) - Critical accounting estimates and judgements: Income taxes and Note 38 - Contingent liabilities</i></p> <p>The Group received notices of additional assessments from the Inland Revenue Board ("IRB") in the prior and current years on:</p> <ul style="list-style-type: none"> • 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"); • disallowance of interest expenses deduction for YA 2018 and 2019 totalling RM230 million ("2021 Notices"); and • disallowance of interest expenses deduction for YA 2020 totalling RM104 million ("2022 Notices"). 	<p>We performed the following audit procedures in relation to the additional tax assessments:</p> <ul style="list-style-type: none"> • 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 Group's financial statements. <p>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.</p>

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 (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Notices of additional tax assessments from the Inland Revenue Board (continued)</p> <p><i>Refer to Note 3(x) - Summary of significant accounting policies: Contingent liabilities, Note 4(e) - Critical accounting estimates and judgements: Income taxes and Note 38 - Contingent liabilities (continued)</i></p> <p>The Directors have assessed the impact of the ICI Notice, 2020, 2021 and 2022 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 and proceedings against the ICI Notice, 2020, 2021 and 2022 Notices.</p> <p>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.</p>	
<p>Revenue recognition from contracts with customers</p> <p><i>Refer to Note 3(u) - Summary of significant accounting policies: Income recognition, Note 4(d) - Critical accounting estimates and judgements: Revenue recognition for contracts with customers and Note 7 - Revenue</i></p> <p>The Group's revenue of RM9.8 billion during the financial year ended 31 December 2022 comprised primarily of telecommunications services and solutions revenue and sales of devices of RM8.2 billion and RM1.5 billion respectively.</p> <p>We focused on this area because there is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of various pricing models for different revenue products to revenue recognition. Revenue processed by billing systems is complex and involves large volumes of data with different products and services sold, and price changes.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated and tested the IT general controls and key controls on material revenue streams over: <ul style="list-style-type: none"> - capturing and recording of revenue transactions; - authorisation of rate changes and the input of this information to the billing systems; and - accuracy of calculation of amounts billed to customers; • For material revenue streams, we obtained supporting evidence such as customer contracts, invoices and relevant supporting documents to test the accuracy of revenue recognition on a sampling basis;

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 (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition from contracts with customers (continued)</p> <p><i>Refer to Note 3(u) - Summary of significant accounting policies: Income recognition, Note 4(d) - Critical accounting estimates and judgements: Revenue recognition for contracts with customers and Note 7 - Revenue (continued)</i></p> <p>In addition, management exercises judgement in the areas below:</p> <ul style="list-style-type: none"> • 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. 	<p>We performed the following audit procedures: (continued)</p> <ul style="list-style-type: none"> • Reviewed management's assessment of the identification of separate performance obligations over material customer contracts with bundling arrangements and sighted to the customer contracts on a sampling basis; and • Reviewed management's analysis in determining whether the Group is acting as a principal or an agent in relation to the sale of devices based on the contractual terms and conditions in the contracts with customers and suppliers. <p>Based on the procedures performed above, we did not find any material exceptions in the revenue recognised during the financial year.</p>
<p>Assessment of funding requirements and ability to meet the short term obligations</p> <p><i>Refer to Note 34(c) - Financial Risk Management: Liquidity Risk</i></p> <p>As at 31 December 2022, the Group had short term payables and accruals of RM3.8 billion and short term borrowings of RM0.3 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 RM1.7 billion at that date.</p> <p>The Group's ability to obtain funding from existing facilities is disclosed in Note 34(c) to the financial statements.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Checked the extent of debt that the Group can raise from its existing facilities; • Reviewed management's assessment of compliance with debt covenants; • Checked the borrowing repayment profile of the Group against the loan agreements; • Checked management's cash flow forecasts for the Group over the period of 12 months from the date of the financial statements to the annual budget approved by the Directors and cash flow projections prepared by management which includes operating, investing and financing cash flows; and • Discussed with management on key assumptions used in the cash flow forecasts including cash collection trends, payment profiles and significant transactions that may occur in developing the cash flow forecasts for the Group.

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 (CONTINUED)

Key audit matters (continued)

Group (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of funding requirements and ability to meet the short term obligations (continued)</p> <p><i>Refer to Note 34(c) - Financial Risk Management: Liquidity Risk (continued)</i></p>	<p>We performed the following audit procedures: (continued)</p> <p>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.</p>

Company

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of the carrying value of cost of investment in a subsidiary</p> <p><i>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 19(a) - Interests in subsidiaries</i></p> <p>As at 31 December 2022, the carrying value of the cost of investments in subsidiaries is RM25.1 billion.</p> <p>The Group performed an impairment assessment of the cost of investment in a subsidiary during the financial year as there is indicator of impairment of this subsidiary. The recoverable amount of the subsidiary was determined by the Directors based on 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.</p> <p>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.</p>	<p>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 2023 and projections for the next 4 years:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> - Agreed the five-year VIU cash flows to the financial budget for 2023 and projections for the next 4 years approved by the Directors; - Compared the historical forecast for 2022 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 2022; and - Checked the mathematical accuracy of the five-year VIU cash flows; • Checked that the VIU cash flows used to determine the recoverable amount have been adjusted for financing cash flows forecast of the subsidiary;

Independent Auditors' Report

to the Members of Maxis Berhad (Incorporated In Malaysia)

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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
<p>Recoverability of the carrying value of cost of investment in a subsidiary (continued)</p> <p><i>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 19(a) - Interests in subsidiaries (continued)</i></p>	<p>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 2023 and projections for the next 4 years: (continued)</p> <ul style="list-style-type: none"> • Agreed the assumption on capital expenditures and operating expenditures to the approved financial budget for 2023 and projections for the next 4 years, discussed with management on the capital expenditure and operating 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. <p>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 2022.</p>

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 2022 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.

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.

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 (CONTINUED)

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.
- (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.

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 (CONTINUED)

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

TAN CHIN YEE

03380/06/2024 J

Chartered Accountant

Kuala Lumpur

8 March 2023

Size of Shareholdings

As at 10 March 2023

SHARE CAPITAL

Issued : 7,830,148,710 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	794	2.03	7,477	0.00
100 - 1,000	19,781	50.62	17,298,207	0.22
1,001 - 10,000	15,278	39.10	59,410,356	0.76
10,001 - 100,000	2,565	6.56	73,046,939	0.93
100,001 - 391,507,434(*)	656	1.68	1,275,503,623	16.29
391,507,435 and above(**)	3	0.01	6,404,882,108	81.80
Total	39,077	100.00	7,830,148,710	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 10 March 2023.

Category of Shareholders

As at 10 March 2023

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	33,299	85.22	138,782,346	1.77
Bank/Finance Institutions	28	0.07	1,000,637,575	12.78
Investment Trusts/Foundations/Charities	5	0.01	138,000	0.00
Other Types of Companies	312	0.80	4,887,515,107	62.42
Government Agencies/Institutions	4	0.01	5,804,600	0.07
Nominees	5,428	13.89	1,797,271,080	22.96
Others	1	0.00	2	0.00
Total	39,077	100.00	7,830,148,710	100.00

Note:

Information in the above table is based on the Record of Depositors dated 10 March 2023.

Directors' Interest in Shares

As at 10 March 2023

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 10 March 2023 are as follows:

Name	Number of Ordinary Shares in Maxis ("Maxis Shares")		% of Issued Shares	
	Direct	Indirect	Direct	Indirect
Tan Sri Mokhzani bin Mahathir	750,000	1,000 ⁽¹⁾	0.01	#
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000	-	0.01	-
Dato' Hamidah Naziadin	-	-	-	-
Alvin Michael Hew Thai Kheam	-	-	-	-
Mohammed Abdullah K. Alharbi	-	-	-	-
Mazen Ahmed M. AlJubeir	-	-	-	-
Abdulaziz Abdullah M. Alghamdi	-	-	-	-
Lim Ghee Keong	-	-	-	-
Ooi Huey Tyng	-	-	-	-
Uthaya Kumar A/L K Vivekananda	-	-	-	-

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 10 March 2023

The interests of the Chief Executive Officer in the shares of the Company (both direct and indirect) as at 10 March 2023 are as follows:

Name	Number of Ordinary Shares in Maxis ("Maxis Shares")		% of Issued Shares	
	Direct	Indirect	Direct	Indirect
Goh Seow Eng	-	6,200 ⁽¹⁾	-	#

Notes:

Negligible

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

30 Largest Shareholders

As at 10 March 2023

No	Name	No. of Shares Held	%
1	BGSM Equity Holdings Sdn Bhd	4,875,000,000	62.26
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	900,433,708	11.50
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)	75,410,685	0.96
6	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	60,783,300	0.78
7	Cartaban Nominees (Asing) Sdn Bhd Exempt An For State Street Bank & Trust Company (West CLT OD67)	49,788,400	0.64
8	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	42,363,000	0.54
9	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	33,614,700	0.43
10	Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Fund	28,564,300	0.36
11	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)	28,413,400	0.36
12	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	28,026,060	0.36
13	Citigroup Nominees (Asing) Sdn Bhd CB Spore GW For Government Of Singapore (GIC C)	26,670,766	0.34
14	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Total International Stock Index Fund	26,074,261	0.33
15	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	23,919,375	0.31
16	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	23,848,400	0.30
17	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)	21,750,000	0.28
18	Amanahraya Trustees Berhad Amanah Saham Malaysia	19,989,800	0.26
19	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	19,575,372	0.25

30 Largest Shareholders

As at 10 March 2023

No	Name	No. of Shares Held	%
20	Permodalan Nasional Berhad	17,260,500	0.22
21	Amanahraya Trustees Berhad Public Islamic Dividend Fund	17,238,600	0.22
22	Cartaban Nominees (Asing) Sdn Bhd BNYM SA/NV For People's Bank Of China (SICL Asia EM)	16,761,800	0.21
23	Cartaban Nominees (Asing) Sdn Bhd State Street London Fund OQ78 For Ishares IV Public Limited Company	16,505,200	0.21
24	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	12,364,568	0.16
25	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	11,868,600	0.15
26	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	11,255,300	0.14
27	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Blackrock Institutional Trust Company, N.A. Investment Funds For Employee Benefit Trusts	10,318,949	0.13
28	Amanahraya Trustees Berhad Public Islamic Equity Fund	10,215,200	0.13
29	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad For Prulink Strategic Fund	9,431,200	0.12
30	Pertubuhan Keselamatan Sosial	9,153,300	0.12

Note:

Information in the above table is based on the Record of Depositors dated 10 March 2023.

Information of 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 10 March 2023 are as follows:

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
BGSM Equity Holdings Sdn Bhd (“BGSM Equity”)	4,875,000,000	62.26	-	-
BGSM Management Sdn Bhd (“BGSM Management”) ⁽¹⁾	-	-	4,875,000,000	62.26
Binariang GSM Sdn Bhd (“BGSM”) ⁽²⁾	-	-	4,875,000,000	62.26
Usaha Tegas Equity Sdn Bhd (“UTE”) ⁽³⁾	-	-	4,875,000,000	62.26
Usaha Tegas Sdn Bhd (“Usaha Tegas”) ⁽⁴⁾	-	-	4,875,000,000	62.26
Pacific States Investment Limited (“PSIL”) ⁽⁵⁾	-	-	4,875,000,000	62.26
Excorp Holdings N.V. (“Excorp”) ⁽⁶⁾	-	-	4,875,000,000	62.26
PanOcean Management Limited (“PanOcean”) ⁽⁶⁾	-	-	4,875,000,000	62.26
Ananda Krishnan Tatparanandam (“TAK”) ⁽⁷⁾	-	-	4,875,000,000	62.26
Harapan Nusantara Sdn Bhd (“Harapan Nusantara”) ⁽⁸⁾	-	-	4,875,000,000	62.26
Tun Haji Mohammed Hanif bin Omar ⁽⁹⁾	-	-	4,875,000,000	62.26
Dato’ Haji Badri bin Haji Masri ⁽⁹⁾	-	-	4,875,000,000	62.26
Mohamad Shahrin bin Merican ⁽⁹⁾	11,000	*	4,875,000,000	62.26
STC Malaysia Holding Ltd (“STCM”) ⁽¹⁰⁾	-	-	4,875,000,000	62.26
STC Asia Telecom Holding Ltd (“STCAT”) ⁽¹¹⁾	-	-	4,875,000,000	62.26
Saudi Telecom Company (“Saudi Telecom”) ⁽¹²⁾	-	-	4,875,000,000	62.26
Public Investment Fund (“PIF”) ⁽¹³⁾	-	-	4,875,000,000	62.26
AmanahRaya Trustees Berhad (“ARB”)				
- Skim Amanah Saham Bumiputera	629,448,400	8.04	-	-
Employees Provident Fund Board (“EPF”) ⁽¹⁴⁾	899,433,708	11.49	23,087,172	0.29

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.

Information of Substantial Shareholders

- ⁽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 23,087,172 Shares held through nominees.

List of Properties Held

Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2022 (RM'million)
1	Plot 12155 (Lot 13) Jalan Delima 1/1 Subang Hi-Tech Industrial Park 40000 Shah Alam Selangor	27 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	30 years	Freehold 21 July, 1994	-	Telecommunication operations centre and office	4,242	4,077	4
3	Lot 2537 & 2538 Jelawat Lorong 6 Kawasan Perusahaan Seberang Jaya 13700 Seberang Jaya Pulau Pinang	26 years	Leasehold 5 January, 1995	51 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	25 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	25 years	Freehold 12 April, 1997	-	Technical Operations Centre	10,611	1,535	3

List of Properties Held

Item	Postal Address	Approx. Age of the Building	Tenure/ Date of Acquisition	Remaining Lease Period (Expiry of Lease)	Current Use	Land Area (Sq.metre)	Build-up Area (Sq.metre)	Net Book Value as at 31 Dec 2022 (RM'million)
6	8101, Taman Desa Jasmin Block 12B Bandar Baru Nilai Labu Negeri Sembilan	25 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	22 years	Leasehold 11 May, 2000	74 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	22 years	Leasehold 28 September, 2000	44 years (19 November 2066)	Telecommunication operations centre and office	10,122	3,382	14
9	Lot 11301 Jalan Lebuhraya Kuala Lumpur – Seremban Batu 8, Mukim Petaling 57000 Kuala Lumpur	23 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	28 years	Freehold 2 March, 1995	-	Base Transceiver Station	2,294	872	1

Additional Disclosures

COMPLIANCE WITH THE PERSONAL DATA PROTECTION ACT

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

PROFILES OF DIRECT REPORTS TO THE BOARD AND/OR AUDIT AND RISK COMMITTEE PURSUANT TO APPLICABLE LAWS

DIPAK KAUR (DIPA)

Company Secretary
LS5204, PC 201908002620
FCIS (CS) (CGP), GAICD

Date of Appointment : **7 August 2009**
Age : **53**
Sex : **Female**
Nationality : **Malaysian**

Dipa has over 29 years of experience in corporate secretarial and governance matters in various public listed and private companies and is qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016.

As Company Secretary of the Maxis Berhad Group, she provides active governance support to the Chairman, Directors, the Board, Board Committees and Management.

She holds a Bachelor of Laws (LL.B) from the University of Leicester, United Kingdom, a Masters in Law (LL.M) from University Malaya, Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants, Graduateship of the Institute of Chartered Secretaries and Administrators (now known as the Chartered Governance Institute), Certificate of Legal Practice and is a non-practising Advocate and Solicitor of the High Court of Malaya. She is a Graduate of the Australian Institute of Corporate Directors (GAICD) and a Fellow and Chartered Governance Professional of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). She holds the office as an elected Council Member and Honorary Treasurer of MAICSA and additionally the following positions at MAICSA. She is a Chairman of the Corporate Governance Guide for Private Companies Task Force and a member of the Thought Leadership Committee.

SHAFIK AZLEE BIN MASHAR

Head of Internal Assurance

Date of Appointment : **15 April 2014**
Age : **47**
Sex : **Male**
Nationality : **Malaysian**

Shafik joined Maxis in April 2014 as the Head of Internal Audit, now known as Internal Assurance, responsible for leading the independent Internal Audit function that reports functionally to the Audit Committee and administratively to the CEO.

He brings over more than 25 years of work experience in various industries spanning telecommunication, IT outsourcing and fast moving consumer goods, in various roles covering telecommunications operations, project management and internal auditing. Prior to joining Maxis, he was the Head of Internal Audit at Robi Axiata Limited, a subsidiary of Axiata Group in Bangladesh. Prior to that, he was with various multinational and local companies at varying regional and global leadership roles, responsible for operations and audit throughout his career.

He holds a Bachelor of Engineering degree in Information Systems Engineering from Imperial College of Science, Technology & Medicine, London and is a Certified Information Systems Auditor (CISA), certified PRINCE2 Project Management Professional, Certified ScrumMaster (CSM) for Agile and Certified Lead Auditor for ISO 37001:2016 Anti Bribery.

NURIRDZUANA BINTI ISMAIL

Head of Integrity and Governance Unit

Date of Appointment : **24 August 2020**
Age : **44**
Sex : **Female**
Nationality : **Malaysian**

Nuri has over 20 years of professional working experiences in designing and implementing anti-corruption programmes, international strategy and communication, corruption risk management, governance, and compliance training advisory. She has led the design and implementation of ISO 37001:2016 Anti-Bribery Management System in various government agencies and organisations.

She currently supports the Board of Directors, Audit and Risk Committee and Management by providing oversight on the design, implementation, compliance, and enforcement of the Maxis Integrity & Compliance Framework (MICF), ISO37001:2016 Anti-Bribery Management System certification, Maxis Anti-Bribery Corruption System (MABC) and AML/CFT structure. She also works closely with all stakeholders to ensure that Maxis upholds the highest standards of integrity and transparency in its business practices.

Prior to joining Maxis, she has served the Malaysian Anti-Corruption Commission (MACC) as Assistant Commissioner and has been the Head of Integrity Risk Management for Group Integrity, PETRONAS.

She holds a Bachelor of Science (BSc.) degree in Biomedical Technology from University Malaya and is a Certified Integrity Officer (CeIO) from Malaysia Anti-Corruption Academy (MACA), Certified Trainer from HRDF, Certified Learning Facilitator for Anti-Corruption and Compliance from Basel Institute of Governance, Switzerland, Certified Lead Auditor and Technical Expert for ISO 37001:2016 Anti-Bribery Management System (ABMS). She is also an EXCO member for Transparency International, Malaysia.

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 2022 or, if not then subsisting, entered into since the end of financial year 2021

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)	19 June 2020	Maxis Broadband Sdn. Bhd. (“MBSB”)	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 224 for further details on the relationship between MBSB and MSS.
(a)	Letter for Alternative Transponder Capacity, Extension of the Expiry Date & Compensation	16 February 2022	MEASAT Satellite Systems Sdn. Bhd. (“MSS”)				
2	Teleport Services Agreement (Lease rentals of Measat earth station facility)	7 December 2017	MBSB MSS	Lease rentals of MSS teleport and earth station facility by MBSB	Service fee payable by MBSB to MSS	Cash	Please see Note 1 on page 224 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.	Agreement for the Provision of Services for Contact Centre (Note B)	1 December 2021	MBSB 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.
5.	Telesales Agreement (Note C)	22 January 2020 Supplemental No. 1: 1 December 2021 Supplemental No. 2: 1 December 2022	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.

Material Contracts

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)
6.	Managed Bandwidth Services Agreement	1 July 2011	MBSB	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 224 for further details on the relationship between MBSB and MBIL.
(a)	Letter of Agreement for Additional Managed Bandwidth Services	11 November 2014	MEASAT Broadband (International) Ltd. ("MBIL")				
(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 further extension of the Extended Term	16 February 2022					
(f)	Letter for further extension of the Further Extended Term	30 September 2022					
(g)	Letter for Second Additional Extended Term	31 October 2022					
(h)	Letter for Third Additional Extended Term	30 November 2022					
(i)	Letter for Fourth Additional Extended Term	30 December 2022					

Material Contracts

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.	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 224 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					
	(c) Letter for Further Extension of the Extended Term	30 September 2022					
	(d) Letter for Second Additional Extended Term	31 October 2022					
	(e) Letter for Third Additional Extended Term	30 November 2022					
	(f) Letter for Fourth Additional Extended Term	30 December 2022					
8.	(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 224 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			

Material Contracts

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)
9.	(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 224 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	
	(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	

Material Contracts

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)
10.	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 224 for further details on the relationship between MBSB and MBNS.
	(b) Addendum to the Maxis TV Partnership Agreement	18 January 2023	MBSB MBNS	To revise commercial arrangement on the consumer offering with sooka service	Charges payable by MBSB to MBNS	Cash	Please see Note 2 on page 224 for further details on the relationship between MBSB and MBNS.
11.	Master Services Agreement (CONNECTme NOW Service)	5 December 2022	MBSB MEASAT Communication Systems Sdn Bhd ("MCS")	An agreement for provision of CONNECTme NOW Service by MCS to fulfill the 1Bestari Project by Ministry of Education, which MBSB has been appointed to implement	Service fee payable by MBSB to MCS (progressive payments)	Cash	Please see Note 1 on page 224 for further details on the relationship between MBSB and MCS.

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 Agreement for the Provision of Services for Contact Centre dated 1 December 2021 between MBSB and SRG has superseded the Agreement for the Provision of Services for Contact Centre dated 13 March 2018 and the 3 supplemental letters between MBSB and SRG dated 1 October 2019, 22 January 2020 and 13 December 2020.
 - C. 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, MBIL and MCS are the wholly-owned subsidiaries of MEASAT Global Berhad ("MGB"). Ananda Krishnan Tatparanandam ("TAK") who is a Major Shareholder of the Company, is also a major shareholder of MGB. 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 41.08%-owned indirect associate company of Astro Overseas Limited ("AOL") 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 AOL.

Disclosure of Recurrent Related Party Transactions

At the Thirteenth Annual General Meeting held on 28 April 2022, 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 Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 2022 where the aggregate value of such RRPTs is equal to or more than RM1 million or 1% of the relevant percentage ratio for such transactions, whichever is the higher.

Set out below are the relevant RRPTs for which Shareholders’ Mandate had been obtained together with a breakdown of the aggregate value of the RRPTs which had been conducted pursuant to the Shareholders’ Mandate and had met the prescribed threshold based on the financial results of the preceding financial year.

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2022 to 27 April 2022 (RM'million)	Value incurred from 28 April 2022 to 31 December 2022 (RM'million)	Aggregate value of transactions during the financial year 2022 (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		45	97	142
		(ii) Payable to MBNS and/or its affiliates		8	10	18
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		*	*	*
MBSB	AD5SB	Supply of specialised resources services by MBSB		*	*	1
Aggregate Value of Transactions with AMH Group				53	107	161

Disclosure of Recurrent Related Party Transactions

Company in the Maxis Group involved	Transacting Parties	Nature of transaction	Nature of relationship	Value incurred from 1 January 2022 to 27 April 2022 (RM'million)	Value incurred from 28 April 2022 to 31 December 2022 (RM'million)	Aggregate value of transactions during the financial year 2022 (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	20	29
MBSB and/or its affiliates	UTSB and/or its affiliates	Rental receivable by MBSB and/or its affiliates for utilising of space/facilities at Maxis Living Room and/or other space at Maxis' premises		Nil	*	*
MBSB	UTSB	Provision of Information and Communications Technology (ICT) services by MBSB		*	1	1
MBSB and/or its affiliates	Mobitel (Private) Limited ("Mobitel")	<ul style="list-style-type: none"> 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")	<ul style="list-style-type: none"> Interconnect revenue to MBSB and/or its affiliates Interconnect expenses paid by MBSB and/or its affiliates 		*	*	*
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental, service charge and/or property service fee/building expenses and other related expenses for Menara Maxis payable by MBSB and/or its affiliates		13	27	40
MBSB and/or its affiliates	TCCPM and/or its affiliates	Rental payable by MBSB and/or its affiliates for promotional/event/project space in Menara Maxis		Nil	*	*
MBSB and/or its affiliates	TGV	Purchase of movie tickets, hall bookings and concessions by MBSB and/or its affiliates for Maxis reward and loyalty programs		*	*	*
MBSB	TGV	Provision of Business Solution services by MBSB		*	2	2
Aggregate Value of Transactions with UT Group				22	50	72

* Less than RM1 million.

Disclosure of Recurrent Related Party Transactions

Notes:

1. AMH Group

MBNS and AD5SB 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 62.26% 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 62.26% 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 62.26% 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.

Disclosure of Recurrent Related Party Transactions

2. UT Group

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

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

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

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

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

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

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

GRI Content Index

Maxis Berhad has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards 2021.

GRI Standards	Disclosures	Location	Page Numbers
GRI 2: GENERAL DISCLOSURES 2021			
2-1	Organisational details	Corporate Information; Group Corporate Structure; List of Properties Held	3; 217-218
2-2	Entities included in the organisation's sustainability reporting	About This Report: Reporting Scope and Boundary	2
2-3	Reporting period, frequency and contact point	Feedback; About This Report: Reporting Scope and Boundary	1-2
2-4	Restatements of information	Restatement of information is conducted following an internal data review, in relation to interest revenue reclassification	16
2-5	External assurance	Our Reporting Suite: Assurance and Approval	2
2-6	Activities, value chain and other business relationships	Our Value Creation Theme 1: Creating A Digitally Inclusive Society; Our Value Creation Theme 5: Embedding Responsible Business Practices (Our Supply Chain)	37-43; 60-61
2-7	Employees	Our Value Creation Theme 3: Empowering Our People and Transforming Our Organisation (Our People)	46-51
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2-10	Nomination and selection of the highest governance body	Corporate Governance Overview	66-74
2-11	Chair of the highest governance body	Directors' Profile; Corporate Governance Overview	4-8; 66-74
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview: Sustainability Management	73
2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview: Sustainability Management	73
2-14	Role of the highest governance body in sustainability reporting	About This Report: Assurance and Approval	2
2-15	Conflicts of interest	Corporate Governance Overview	66-74
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview: Training and Development of Directors	71
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Glossary

4G LTE: Fourth Generation Long-Term Evolution; a standard for wireless communication of high-speed data for mobile phones and data terminals

5G: 5th generation mobile networks or 5th generation wireless systems; denotes the next major phase of mobile telecommunications standards beyond the current 4G/IMT-Advanced standards

AML/CFT: Anti Money Laundering / Countering Financing of Terrorism

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

ARPU: Average Revenue Per User

B40: Income group of the Malaysian population earning the bottom 40% of household incomes

BTS: Base Transceiver Station; which sends and receives radio signals, that are converted to digital signals, between mobile devices and a network

BURSA SECURITIES:
Bursa Malaysia Securities Berhad

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:
Detailed application of the Principles and Recommendations of MCCG during the financial year

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation

ESG: Environment, Social & Governance

FWBB: Fixed Wireless Broadband

GDP: Gross Domestic Product; the total value of goods and services produced by a country in a year

GHG: Greenhouse Gas; a group of gases that traps heat in the atmosphere

HSBB: High Speed Broadband

ICT: Information and Communications Technology; an umbrella term that includes technology utilised for the collection, storage, transmission, retrieval or processing of data such as radio television, cellular phones, computers, and various services and applications associated with them

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

IPTV: Internet Protocol television; a service delivering television content over Internet Protocol networks

M2M: Machine-to-machine; a direct communication between devices using a wireless network

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

MAXIS OR THE COMPANY:
Maxis Berhad [Registration No. 200901024473 (867573-A)]

MBPS: Megabits per second

MCCG: Malaysian Code on Corporate Governance

MCMC: Malaysian Communications and Multimedia Commission

MMLR: Main Market Listing Requirements of Bursa Securities

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; a technology that enables the dynamic programming of networks

SME: Small and Medium Enterprises

SOP: Standard Operating Procedure

UN SDGS: United Nations Sustainable Development Goals

TCFD: Task Force on Climate-related Financial Disclosures

VPN: Virtual Private Network

Notice of Annual General Meeting

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

Online Meeting Platform	: https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Day and Date	: Thursday, 18 May 2023
Time	: 2.30 p.m.
Broadcast Venue	: Auditorium, 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Mode of Communication for Online Participation	: 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal one (1) hour before the Fourteenth AGM, that is from 1.30 p.m. on Thursday, 18 May 2023. 2) E-mail questions to ir@maxis.com.my prior to the Fourteenth 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 2022 together with the Reports of the Directors and Auditors thereon.
Please refer to Note A. | |
| 2 | To re-elect the following Directors who retire pursuant to Rule 131.1 of the Constitution of the Company and, being eligible, have offered themselves for re-election:
a) Alvin Michael Hew Thai Kheam
b) Dato’ Hamidah binti Naziadin
c) Lim Ghee Keong
Please refer to Note B for further details regarding each Director. | Resolution 1
Resolution 2
Resolution 3 |
| 3 | 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 2024.
Please refer to Note C 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 4 |
| 4 | 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 the conclusion of this Annual General Meeting up till the conclusion of the next Annual General Meeting of the Company to be held in 2024.
Please refer to Note D 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 5 |
| 5 | 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 E. | Resolution 6 |
| | As Special Business
To consider and, if thought fit, to pass the following Resolutions: | |
| 6 | Continuation in Office as Independent Directors

That approval be given for the following Directors to continue to act as Independent Directors of the Company:
a) Alvin Michael Hew Thai Kheam (from 30 August 2023 to 29 August 2024)
b) Dato’ Hamidah binti Naziadin (from 18 May 2023 to 17 May 2024)
Please refer to Note F. | Resolution 7
Resolution 8 |

Notice of Annual General Meeting

- 7 Renewal of the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”) and waiver of pre-emptive rights to new shares under Section 85(1) of the CA 2016 read together with Rule 76.1 of the Constitution of the Company. **Resolution 9**

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

AND THAT pursuant to Section 85 of the CA 2016 read together with Rule 76.1 of the Constitution of the Company, approval be given for the waiver of the pre-emptive rights of the shareholders of the Company over (a) all new shares in the Company; and (b) any offers, agreements, rights or options in respect of any new shares in the Company and any new shares in the Company which may be issued pursuant to such offers, agreements, rights or options and for the Board to be exempted, in respect of the Mandate, from any obligation to make or grant any offers, agreements, rights or options in respect of any new shares in the Company first to the existing shareholders of the Company in proportion to their respective shareholdings in the Company.”

Please refer to Note G.

- 8 To obtain shareholders’ mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions (“RRPTs”) of a revenue or trading nature with:
- | | |
|---|----------------------|
| a) Astro Malaysia Holdings Berhad and/or its affiliates; | Resolution 10 |
| b) Usaha Tegas Sdn. Bhd. and/or its affiliates; | Resolution 11 |
| c) MEASAT Global Berhad and/or its affiliates; | Resolution 12 |
| d) Maxis Communications Berhad and/or its affiliates; | Resolution 13 |
| e) Saudi Telecom Company and/or its affiliates; | Resolution 14 |
| f) SRG Asia Pacific Sdn. Bhd.; | Resolution 15 |
| g) Malaysian Landed Property Sdn. Bhd. and/or its affiliates; and | Resolution 16 |
| h) ZenREIT Sdn. Bhd. | Resolution 17 |

The details of such RRPTs and the full text of Ordinary Resolution 10 to Ordinary Resolution 17 are set out in Appendix I and Appendix VII respectively of the Circular to Shareholders dated 19 April 2023 issued together with this Notice of Annual General Meeting.

- 9 Proposed Establishment of a Long Term Incentive Plan for the eligible employees of Maxis Berhad and its subsidiaries (“Proposed LTIP”) and waiver of pre-emptive rights to new shares under Section 85(1) of the Companies Act 2016 (“CA 2016”) read together with Rule 76.1 of the Constitution of the Company. **Resolution 18**

“THAT subject to the approvals of all relevant regulatory authorities for the Proposed LTIP being obtained, and to the extent permitted by law and the Constitution of the Company, the Board of Directors of Maxis (“Board”) be and is hereby authorised:

- i) to establish, implement and administer the Proposed LTIP which comprises the share grant for the benefit of the employees of Maxis and its subsidiaries (excluding subsidiaries which are dormant) (including an Executive Director) who fulfill the criteria of eligibility for participation in the Proposed LTIP (“Eligible Employees”), and who are selected by the Board Remuneration Committee or any other committee comprising Directors and/or other officers or executives of the Company appointed by the Board to administer the Proposed LTIP, to be offered a grant (“Selected Employees”) in accordance with the by-laws of the Proposed LTIP (“By-Laws”) as set out in Appendix V of the Circular to Shareholders dated 19 April 2023;

Notice of Annual General Meeting

- ii) to allot and issue and/or transfer or procure the transfer, from time to time such number of new and existing ordinary shares in Maxis (“Maxis Shares”) as may be required to be issued or transferred, as the case may be, to the Selected Employees who have accepted the grant (“Grants”) pursuant to the vesting of the Grants under the Proposed LTIP, provided always that the total number of Maxis Shares to be allotted and issued and/or transferred under the Proposed LTIP shall not, when aggregated with the total number of new Maxis Shares allotted and issued and/or to be allotted and issued under the Maxis Berhad 2009 Employee Share Option Scheme and the Maxis Berhad 2015 Long Term Incentive Plan, exceed 250 million Maxis Shares at any point in time during the duration of the Proposed LTIP and that such Maxis Shares shall, upon allotment and issuance or transfer, as the case may be, rank equally in all respects with the then existing issued Maxis Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions, for which the entitlement date is prior to the date on which the Maxis Shares are credited into the central depository system accounts of the respective Selected Employees who have accepted the Grants, upon vesting of their Grants under the Proposed LTIP;
- iii) to add, modify and/or amend the Proposed LTIP, By-Laws and all rules, regulations and administration relating to the Proposed LTIP and/or the administration thereof from time to time as may be permitted by the authorities or deemed necessary by the relevant regulatory authorities or the Board, Board Remuneration Committee or any other committee established to administer the Proposed LTIP, provided that such additions, modifications, and/or amendments are effected and permitted in accordance with the provisions of the By-Laws;
- iv) establish a trust (“Trust”) to be administered by the trustee to be appointed by the Company from time to time for the administration of the Trust (“Trustee”), in accordance with the terms of a trust deed to be executed between the Trustee and the Company, to facilitate the implementation of the Proposed LTIP and be entitled from time to time to the extent permitted by law and as set out under the By-Laws to accept funding and/or assistance, financial or otherwise from the Company, the subsidiaries of the Company and/or third parties to enable the Trustee to subscribe for new Maxis Shares, acquire existing Maxis Shares and/or receive treasury shares for the purpose of the Proposed LTIP and to pay expenses in relation to the administration of the Trust, if required; and
- v) to do all such acts and things and to execute all such documents and enter into all such transactions, arrangements and agreements, deeds or undertakings, to make such rules or regulations, or impose such terms and conditions or delegate part of its power and to generally exercise such powers and perform such acts as may be necessary or expedient in order to give full effect to the Proposed LTIP and the terms of the By-Laws;

THAT the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to consent to and to adopt such conditions, modifications, variations and/or amendments (including adopting such modifications, variations and/or amendments to the By-Laws as set out in Appendix V of the Circular to Shareholders dated 19 April 2023) as it may deem fit and/or as may be required by the relevant regulatory authorities;

THAT pursuant to Section 85 of the CA 2016 read together with Rule 76.1 of the Constitution of the Company, approval be given for the waiver of the pre-emptive rights of the shareholders of the Company over any new Maxis Shares which may be allotted and/or issued and/or any grants or offers in respect of the same which may be made pursuant to or in respect of the Proposed LTIP and that the Board be exempted in respect of the Proposed LTIP, from any obligation to offer or make any grants in respect of such new Maxis Shares first to the existing shareholders of the Company in proportion to their respective shareholdings in the Company;

AND THAT the By-Laws, as set out in Appendix V of the Circular to Shareholders dated 19 April 2023, which is in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements, be and is hereby approved.”

Please refer to Note H.

Notice of Annual General Meeting

- 10 To transact any other business that may be transacted at the Fourteenth 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
 19 April 2023
 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 Constitution of the Company, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.
- B. Alvin Michael Hew Thai Kheam, Dato' Hamidah binti Naziadin and Lim Ghee Keong ("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 Fourteenth AGM.

For the purpose of determining the eligibility of each of the retiring Directors to stand for re-election at the Fourteenth 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 Self-Assessment ("SA") results of the Board Effectiveness Evaluation ("BEE") 2022;
- (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 ("MCCG"), 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 Directors' SA results of the BEE 2022.

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 Bursa Malaysia Securities Berhad Main Market Listing Requirements ("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 of the Company, namely Alvin Michael Hew Thai Kheam, Dato' Hamidah binti Naziadin and Lim Ghee Keong are eligible to stand

Notice of Annual General Meeting

for re-election. The 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 the retiring Directors are set out on pages 5 and 8 of the Company's Integrated Annual Report for the financial year ended 31 December 2022. The retiring Directors do not hold any shares in Maxis, have no family relationship with any Director and/or major shareholder of Maxis, have no conflict of interests with Maxis and have not been convicted of any offence within the past five (5) years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 2022.

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 Fourteenth AGM.

- C. 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 2024.

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 2024 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
Directors' 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 Transformation Committee	10,000
Chairman of 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 Transformation Committee	4,167
Member of Government and Regulatory Affairs Committee	1,667
Chairman's BIK	5,500

Note: *There are no changes to the remuneration structure and monthly fees for the Directors since the last AGM. The Chairman's BIK comprises company car and driver benefits, which BIK value is based on the prescribed value method issued by the Inland Revenue Board of Malaysia - Benefits In Kind (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 this Annual General Meeting up till the next Annual General Meeting of the Company to be held in 2024.

- D. Payment of Directors' Remuneration to the Non-Executive Directors of Maxis Collections Sdn. Bhd. ("MCSB"), a wholly owned subsidiary of Maxis Berhad, from the conclusion of this meeting up till the conclusion of the next Annual General Meeting of the Company in 2024.

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 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 the conclusion of this Annual General Meeting up till the conclusion of the next Annual General Meeting of the Company in 2024 in accordance with the remuneration structure set out below. The Remuneration comprises fees payable to the Non-Executive Directors and members of the Audit and Risk Committee of MCSB.

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Description	Monthly Fees (RM)
Directors' fees and fee as member of the Audit and Risk Committee ("ARC")	5,000 in aggregate (whether as Director only or as Director and member of ARC)

If passed, this shareholders' approval will allow MCSB to make payment of Remuneration to the Non-Executive Directors of MCSB on a monthly basis in accordance with the remuneration structure set out above from the conclusion of this Annual General Meeting up till the next Annual General Meeting of the Company to be held in 2024.

- E. The Audit and Risk Committee ("ARC") and the Board have considered the re-appointment of PwC as Auditors of the Company and collectively agreed that PwC meets the criteria of the adequacy of resources and experience prescribed by Paragraph 15.21 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR").

The ARC, at its meeting held on 20 February 2023, 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 and the criteria under Paragraph 15.21 of the MMLR. It had also considered the information presented by PwC in its 2022 Audit Transparency Report as per Guidance 9.3 of the Malaysian Code on Corporate Governance.

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 2022 did not in any way impair their objectivity and independence as external auditors of the Maxis Group.

The Board, at its meeting held on 21 February 2023, approved the ARC's recommendation for shareholders' approval to be sought at the Fourteenth AGM for the appointment of PwC as external auditors of the Company for the financial year ending 2023, in accordance with Rule 90 of the Constitution of the Company and Section 274(1)(a) of the Companies Act 2016.

- F. Alvin Michael Hew Thai Kheam ("AMH") was appointed as Independent Director on 30 August 2012 and had exceeded a cumulative tenure of nine (9) years after 30 August 2021. Pursuant to the shareholders' approvals obtained at the Company's Twelfth and Thirteenth Annual General Meetings respectively, AMH was authorised to continue serving on the Board as Independent Director up till 29 August 2023. Meanwhile, Dato' Hamidah binti Naziadin ("DHN") was appointed as Independent Director on 1 February 2014. Pursuant to the Malaysian Code on Corporate Governance ("MCCG"), DHN is entitled to continue serving on the Board as an Independent Director, following the expiry of her nine (9)-year tenure on 1 February 2023, up till the conclusion of the Fourteenth AGM. In accordance with the MCCG, the Board, through the NC, undertook relevant assessments and recommended for AMH to continue to serve as Independent Non-Executive Director for a further one (1) year period from 30 August 2023 to 29 August 2024, and for DHN to continue to serve as Independent Non-Executive Director from 18 May 2023 up till 17 May 2024 based on the following justifications:

- (a) AMH and DHN have fulfilled the criteria of an Independent Director as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements. AMH and DHN have demonstrated their objectivity and independence when providing their views and contributions as members of the Board when considering Board-related matters and in discharging their responsibilities as Directors. They are not hesitant to challenge the rest of the Board members and Management team.
- (b) The length of time that they have remained in their role have not interfered with their ability to exercise independent judgment as Independent Directors and they have continued to contribute to the performance and positive dynamics of the Board.
- (c) AMH and DHN, together with the other Independent Directors, each function as a check and balance to the Board and in the exercise of objectivity as Directors. Their insights and guidance provide impartiality to matters considered at the meetings of the Board and Committees.
- (d) AMH and DHN have vast experience, knowledge and skills in a diverse range of businesses and therefore continually provide constructive opinion, counsel, oversight and guidance as Directors. Additionally, the Board benefits from the deep experience and firm-specific knowledge brought by AMH and DHN, which provide stronger monitoring and relevant counsel to Management, and also ensure continuity in the strategic direction as determined by the Board.
- (e) AMH has international chief executive officer, and operational experience, and brings multi-perspective experiences and best practices to the Board and Maxis.

Notice of Annual General Meeting

- (f) DHN has specialised knowledge of human resources (HR) and sustainability practices in Malaysia and the region which she brings to the Board and Maxis. DHN has experience and hands-on capabilities in mentoring and coaching young talent and women at various formal and informal settings.
- (g) AMH and DHN have devoted sufficient time and attention to their professional obligations to Maxis required for informed and balanced decision making.

The Board continues to dedicate their efforts in searching the market for suitably qualified Independent Directors, including women directors who fulfil the required attributes and who can contribute to Maxis in its growth strategy. Board appointments are based on merits, skills, experience, gaps in Board composition and requirements of Maxis, and are not limited to the element of independence or gender.

The NC and Board are satisfied that AMH and DHN have been able to exercise independent judgment and that they act consistently in the best interests of the Company. AMH and DHN have continued to exercise their independence and due care during their present tenure as Independent Non-Executive Directors, and have contributed in their roles as follows:

AMH: Chairman of the Transformation Committee, and member of the Audit and Risk Committee, Nomination Committee and Remuneration Committee.

DHN: Chairman of the Nomination Committee and Remuneration Committee, and member of the Audit and Risk Committee.

AMH and DHN have abstained from all deliberations and voting at the NC and Board in relation to the recommendation of the resolution to the shareholders in respect of their respective continuation to act as Independent Directors of the Company.

The profiles of AMH and DHN are set out on page 5 of the Company's Integrated Annual Report for the financial year ended 31 December 2022. AMH and DHN do not hold any shares in Maxis, have no family relationship with any Director and/or major shareholder of Maxis, have no conflict of interests with Maxis and have not been convicted of any offence within the past five (5) years and have not been imposed any penalty by the relevant regulatory bodies during the financial year ended 2022.

- G. Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights to new shares under Section 85(1) of the CA 2016 read together with Rule 76.1 of the Constitution of the Company.

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 CA 2016.

The Company did not issue any shares pursuant to Sections 75 and 76 of the CA 2016 under the general mandate sought at the Thirteenth Annual General Meeting held on 28 April 2022, which will lapse upon the conclusion of the forthcoming Fourteenth AGM to be held on 18 May 2023.

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

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.

Details relating to Section 85(1) of the CA 2016 and Rule 76.1 of the Constitution of the Company

Pursuant to Section 85(1) of the CA 2016 read together with Rule 76.1 of the Constitution of the Company, shareholders of the Company have pre-emptive rights to be offered new shares in the Company in proportion to their shareholdings in the Company.

Notice of Annual General Meeting

Section 85(1) of the CA 2016 provides as follows:

“85 Pre-emptive rights to new shares

- (1) *Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relevant voting and distribution rights of those shareholders.”*

The relevant portion of Rule 76.1 of the Constitution of the Company provides as follows:

“76.1. Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities proposed to be issued shall, before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled...”

In order for the Board to allot and issue any new shares in the Company pursuant to the general mandate sought at the upcoming Annual General Meeting without first having to offer those shares to the shareholders of the Company in proportion to their shareholdings in the Company, the shareholders’ pre-emptive rights under Section 85(1) of the CA 2016 read together with Rule 76.1 of the Constitution of the Company must first be waived. This resolution, if passed, will exclude such pre-emptive rights and will enable the Board to issue and allot shares in the Company and to make or grant offers, agreements, rights or options in respect of new shares in the Company pursuant to the general mandate obtained directly to or with the intended allottees, placees and/or subscribers identified by the Board without being subject to the shareholders’ pre-emptive rights.

- H. Detailed information regarding the Proposed LTIP is set out in Part B of the Circular to Shareholders dated 19 April 2023, and the By-Laws is set out in Appendix V of the said Circular. Resolution 18, if passed, will enable the Company to, amongst others, establish, implement and administer the Proposed LTIP for the benefit of the Eligible Employees, in accordance with the By-Laws.

In order for the Board to issue and allot any new Maxis Shares in accordance to the terms of the Proposed LTIP without first having to offer those shares to the shareholders of the Company in proportion to their shareholdings in the Company, the shareholders’ pre-emptive rights under Section 85(1) of the Companies Act 2016 read together with Rule 76.1 of the Constitution of the Company must first be waived. This resolution, if passed, will exclude such pre-emptive rights and will enable the Board to allot and issue and make grants and offers in respect of new Maxis Shares pursuant to the Proposed LTIP directly to the Eligible Employees pursuant to the Proposed LTIP without being subject to the shareholders’ pre-emptive rights.

Notes:

1. Virtual AGM

- (i) The Fourteenth AGM will be conducted virtually where members shall only participate remotely via live streaming and online voting using Remote Participation and Electronic Voting (“RPEV”) facilities which are available on Boardroom Smart Investor Portal at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Fourteenth AGM in order to register, participate and vote remotely via RPEV facilities.
- (ii) With RPEV facilities, members or their proxies may exercise their right to participate (including to pose questions to the Company) and vote at the Fourteenth AGM. Members may use the query box facility to submit questions in real time during the live streaming of the Fourteenth AGM or e-mail questions to ir@maxis.com.my prior to the meeting.
- (iii) The venue of the Fourteenth 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. As such, no shareholder(s), proxy(ies), authorised representative(s) or attorney(s) will be physically present at the Broadcast Venue.

Notice of Annual General Meeting

2. Proxy

- (i) Since the Fourteenth AGM will be conducted virtually, members who wish to participate in the meeting would be required to register yourselves through <https://investor.boardroomlimited.com>.
- (ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:
 - (a) save as provided for in Note 2(iii), the 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 (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of the member's shareholdings to be represented by each proxy.
- (iii) For the avoidance of doubt, and subject always to Note 2(ii)(b), the 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 (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
 - (b) Where a member of the Company is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one (1) instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
 - (c) A member who is a substantial shareholder (within the meaning of the Companies Act 2016) may appoint up to (but not more than) five (5) proxies.
- (iv) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (v) Proxy appointment may be made via hardcopy Proxy Form pursuant to Rule 111 of the Constitution of the Company or electronically pursuant to Rule 89 of the Constitution of the Company. The instrument appointing a proxy shall be as follows:

(a) In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 17 May 2023 at 2.30 p.m.

(b) By Electronic Means

The Proxy Form may be submitted:

- (i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. via e-mail to bsr.helpdesk@boardroomlimited.com no later than Wednesday, 17 May 2023 at 2.30 p.m., or
- (ii) via electronic means ("e-Proxy") through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and selecting "Submit e-Proxy Form" no later than Wednesday, 17 May 2023 at 2.30 p.m. (please refer to the RPEV Administrative Details available at <https://maxis.listedcompany.com/ar2022.html> for further information on electronic submission).
- (vi) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- (vii) The lodging of a form of proxy does not preclude a member from participating and voting at the meeting should the member subsequently decide to do so.

3. Voting

- (i) Pursuant to Paragraph 8.29A(1) of the MMLR, all the resolutions at the Fourteenth AGM of the Company shall be put to vote by way of poll.
- (ii) Please refer to the voting procedures as specified in the RPEV Administrative Details for the Fourteenth AGM.
- (iii) Upon completion of the voting session for the Fourteenth 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.

Notice of Annual General Meeting

Members Entitled to Attend

For purposes of determining the entitlement of a member to attend the Fourteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 10 May 2023. Only a depositor whose name appears on the General Meeting Record of Depositors as at 10 May 2023 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 219 of Maxis Integrated Annual Report 2022.

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 is 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 and includes a personal representative or trustee of an estate (in the case of a deceased individual shareholder).

Maxis Integrated Annual Report 2022, Corporate Governance Report 2022, Circular to Shareholders, Proxy Form, RPEV Administrative Details, Privacy Notice for Maxis' Fourteenth AGM Attendees and queries related to Fourteenth AGM

1. Maxis Integrated Annual Report 2022, Corporate Governance Report 2022, Circular to Shareholders, Proxy Form, RPEV Administrative Details and Privacy Notice for Maxis' Fourteenth AGM Attendees may be downloaded at this link <https://maxis.listedcompany.com/ar2022.html>.
2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and the Company's website at www.maxis.com.my from time to time for any updates on the Fourteenth AGM subsequent to the issuance of this Notice.
3. Any queries relating to the Fourteenth 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/ar2022.html> for further details of the Fourteenth AGM.

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Dear Shareholders,

We are pleased to inform you that as a Shareholder, you have the option to submit your Proxy Form via electronic means (e-Proxy) in paperless form. Once you have successfully submitted your e-Proxy Form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

To assist you on how to engage with e-Proxy, kindly refer to the guidance as set out in the Administrative Details.

Maxis Berhad [Registration No. 200901024473 (867573-A)]

Proxy Form

*I/*We _____ *NRIC (new and old)/*Passport/*Company No _____
(FULL NAME OF A MEMBER IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT/*CERTIFICATE OF INCORPORATION) (COMPULSORY: NEW AND OLD)

of _____
(ADDRESS)

Telephone No. and Email Address _____ being a member of Maxis Berhad ("the Company"), hereby appoint

_____ *NRIC/*Passport No _____
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of _____
(ADDRESS)

Telephone No: _____ Email Address: _____

and/or _____ *NRIC/*Passport No _____
(FULL NAME OF A PROXY IN BLOCK LETTERS AS PER *IDENTITY CARD/*PASSPORT) (COMPULSORY)

of _____
(ADDRESS)

Telephone No: _____ Email Address: _____

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Fourteenth Annual General Meeting ("Fourteenth AGM") of the Company to be conducted virtually on our Meeting Platform on Thursday, 18 May 2023 at 2.30 p.m. and at any adjournment thereof.

Online Meeting Platform : <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657)
Day and Date : Thursday, 18 May 2023
Time : 2.30 p.m.
Broadcast Venue : Auditorium, 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Mode of Communication for Online Participation : 1) Typed text in the Online Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal one (1) hour before the Fourteenth AGM, that is from 1.30 p.m. on Thursday, 18 May 2023.
2) E-mail questions to ir@maxis.com.my prior to the Fourteenth AGM.

*I/We indicate with an "✓" or "X" in the spaces below how *I/we wish *my/our vote to be cast:

AGENDA

1 To receive the Audited Financial Statements and the Reports of the Directors and Auditors thereon.

ORDINARY RESOLUTIONS		FOR	AGAINST
2	Re-election of the following Directors who retire pursuant to Rule 131.1 of the Constitution of the Company:		
a)	Alvin Michael Hew Thai Kheam	Resolution 1	
b)	Dato' Hamidah binti Naziadin	Resolution 2	
c)	Lim Ghee Keong	Resolution 3	
3	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 4	
4	Approval for Directors' Remuneration for Non-Executive Directors of Maxis Collections Sdn. Bhd., a wholly owned subsidiary of Maxis Berhad from the conclusion of this Annual General Meeting up till the conclusion of the next Annual General Meeting of the Company	Resolution 5	
5	Re-appointment of PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) ("PwC") as Auditors of the Company	Resolution 6	
6	Approval for the following Directors to continue to act as Independent Directors of the Company:		
a)	Alvin Michael Hew Thai Kheam (from 30 August 2023 to 29 August 2024)	Resolution 7	
b)	Dato' Hamidah binti Naziadin (from 18 May 2023 to 17 May 2024)	Resolution 8	
7	Renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights to new shares under Section 85(1) of the CA 2016 read together with Rule 76.1 of the Constitution of the Company	Resolution 9	
8	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 10	
b)	Usaha Tegas Sdn. Bhd. and/or its affiliates	Resolution 11	
c)	MEASAT Global Berhad and/or its affiliates	Resolution 12	
d)	Maxis Communications Berhad and/or its affiliates	Resolution 13	
e)	Saudi Telecom Company and/or its affiliates	Resolution 14	
f)	SRG Asia Pacific Sdn. Bhd.	Resolution 15	
g)	Malaysian Landed Property Sdn. Bhd. and/or its affiliates	Resolution 16	
h)	ZenREIT Sdn. Bhd.	Resolution 17	
9	Proposed Establishment of Long Term Incentive Plan for the Eligible Employees of Maxis Berhad and Its Subsidiaries ("Proposed LTIP") and waiver of pre-emptive rights to new shares under Section 85(1) of the Companies Act 2016 read together with Rule 76.1 of the Constitution of the Company	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

..... No. of shares held: The proportions of *my/our holding to be represented by *my/our proxies are as follows:
Signed by *individual member/officer or attorney of member/authorised nominee of Securities Account No.: (Compulsory)
(CDS Account No.)
Date:
(beneficial owner)

If appointment of proxy is under seal

The Common Seal of

was hereto affixed in accordance with its Constitution in the presence of: No. of shares held: Percentage: %
Director *Director/Secretary Second Proxy
Securities Account No.: No. of Shares:
(CDS Account No.) (Compulsory)
Date: Percentage: %
in its capacity as *member/attorney of member/authorised nominee of Seal
(beneficial owner)

Notes:

1. Virtual AGM

- (i) The Fourteenth AGM will be conducted virtually where members shall only participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available on Boardroom Smart Investor Portal at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the RPEV Administrative Details for the Fourteenth AGM in order to register, participate and vote remotely via RPEV facilities.
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- (iii) The venue of the Fourteenth 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. As such, no shareholder(s), proxy(ies), authorised representative(s) or attorney(s) will be physically present at the Broadcast Venue.

2. Proxy

- (i) Since the Fourteenth AGM will be conducted virtually, members who wish to participate in the meeting would be required to register yourselves through <https://investor.boardroomlimited.com>.
- (ii) A member of the Company entitled to participate and vote at the meeting is entitled to appoint a proxy or proxies to participate and vote in his stead, subject to the following provisions:
 - (a) save as provided for in Note 2(iii), the Companies Act 2016 and any applicable law, each member shall not be permitted to appoint more than two (2) proxies; and
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- (iii) 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 (1) proxy in respect of each securities account it holds to which ordinary shares in the Company are credited. Each appointment of proxy by an authorised nominee may be made separately or in one (1) instrument of proxy and shall specify the securities account number and the name of the beneficial owner for whom the authorised nominee is acting.
 - (c) A member who is a substantial shareholder (within the meaning of the Companies Act 2016) may appoint up to (but not more than) five (5) proxies.
- (iv) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (v) Proxy appointment may be made via hardcopy Proxy Form pursuant to Rule 111 of the Constitution of the Company or electronically pursuant to Rule 89 of the Constitution of the Company. The instrument appointing a proxy shall be as follows:
 - (a) In Hardcopy Form
The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the office of the Share Registrar of the Company at Boardroom Share Registrars Sdn. Bhd., at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia no later than Wednesday, 17 May 2023 at 2.30 p.m.
 - (b) By Electronic Means
The Proxy Form may be submitted:
 - (i) to the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. via e-mail to bsr.helpdesk@boardroomlimited.com no later than Wednesday, 17 May 2023 at 2.30 p.m., or
 - (ii) via electronic means ("e-Proxy") through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and selecting "Submit e-Proxy Form" no later than Wednesday, 17 May 2023 at 2.30 p.m. (please refer to the RPEV Administrative Details available at <https://maxis.listedcompany.com/ar2022.html> for further information on electronic submission).
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- (vii) The lodging of a form of proxy does not preclude a member from participating and voting at the meeting should the member subsequently decide to do so.

3. Voting

- (i) Pursuant to Paragraph 8.29A(i) of the MMLR, all the resolutions at the Fourteenth AGM of the Company shall be put to vote by way of poll.
- (ii) Please refer to the voting procedures as specified in the RPEV Administrative Details for the Fourteenth AGM.
- (iii) Upon completion of the voting session for the Fourteenth 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 Fourteenth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Rule 92 of the Constitution of the Company and Section 34(f) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 10 May 2023. Only a depositor whose name appears on the General Meeting Record of Depositors as at 10 May 2023 shall be entitled to attend the said meeting or appoint a proxy(ies) to attend and/or vote on such depositor's behalf.

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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 is 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 2022, Circular to Shareholders, Corporate Governance Report 2022 and queries related to Fourteenth AGM

1. Maxis Integrated Annual Report 2022, Circular to Shareholders and Corporate Governance Report 2022 may be downloaded at this link <https://maxis.listedcompany.com/ar2022.html>.
2. Members are advised to refer to the Company's announcements on Bursa Malaysia Securities Berhad's website and the Company's website at www.maxis.com.my from time to time for any updates on the Fourteenth AGM subsequent to the issuance of this Notice.
3. Any queries relating to the Fourteenth 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/ar2022.html> for further details of the Fourteenth AGM.



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