



Always  
Be Ahead



# We Are Maxis



Maxis is the leading converged solutions company in Malaysia providing a variety of high quality digital services encompassing voice, data, and solutions. We are passionate about bringing together the best of technology to help people, businesses and the nation to Always Be Ahead in an evolving world.

As digitalisation is changing the way we communicate and access services such as commerce, banking, and entertainment, we at Maxis, continue to innovate our products and services leveraging from our leading mobile offerings.

Not only are we motivated to ensure our products are consumer-relevant and are of high quality, we are committed to deliver the best experience to our customers through a single point-of-contact. Through our range of worry-free, flexible and personalised mobile and fixed connectivity as well as solutions, we are empowering our consumers to adapt and navigate their lifestyles in an increasingly digital world.

We believe in unlocking the full potential of fixed connectivity as well as Enterprises, as businesses look towards digitalization to improve and grow their businesses. Our end-to-end Enterprise offerings built upon our strong mobile connectivity now expands into fixed connectivity, and a range of converged solutions such as managed

services, cybersecurity, cloud and IoT. These solutions are supported by an advanced core network with next-generation network support capabilities. We aim to be the preferred information and communication technology (ICT) partner to help Malaysian businesses leverage on technology, as they ride the wave of digitalization in their business growth acceleration.

To ensure all our customers enjoy superior communication experiences, we are continuously investing in our network and IT infrastructure to further boost speeds, coverage and reliability. We are proud of our industry-leading 4G LTE network - the fastest in Malaysia, and will continue investing in future technologies for differentiation, including a high-speed advanced fibre and 5G network.





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

We are passionate about creating a positive, long-term impact and value for our communities and society-at-large, including an important focus on creating shareholder value. Our Economic, Environmental and Social (EES) responsibility lies upon enriching local communities, minimising our impact on the environment and various outreach programmes, including bringing greater digital awareness among underserved communities.

Our people epitomise our culture of mutual responsibility, personal accountability, pride and urgency within a fun and dynamic workplace. We embrace an innovative and digital mindset which our people thrive on, helping them realize their potential and contribute their unique skills to create amazing products and services for our customers.

# TABLE OF CONTENTS

## OVERVIEW

|                                       |    |
|---------------------------------------|----|
| We Are Maxis                          |    |
| About This Report                     | 2  |
| Group Corporate Structure             | 3  |
| Corporate Information                 | 4  |
| Directors' Profiles                   | 6  |
| Maxis Management Team                 | 11 |
| Maxis Senior Management Profiles      | 13 |
| Financial Highlights                  | 14 |
| Group Quarterly Financial Performance | 15 |
| Group Statement of Financial Position | 16 |
| Chairman's Statement                  | 18 |
| CEO's Statement                       | 21 |

## OUR STRATEGY AND VALUE CREATION

|                                      |    |
|--------------------------------------|----|
| Our Maxis Strategy                   | 28 |
| Our Top Material Matters             | 30 |
| Key Business Risks and Opportunities | 31 |
| Value Creation Model                 | 36 |

## OUR PERFORMANCE

|                                  |    |
|----------------------------------|----|
| Management Discussion & Analysis | 38 |
| Business Review                  | 44 |
| • Our Consumer Products          | 45 |
| • Our Enterprise Solutions       | 47 |
| • Our Customers                  | 50 |
| • Our Network and Systems        | 52 |
| • Our People                     | 55 |
| • Our Community                  | 59 |
| • Our Environment                | 62 |

## SUSTAINABILITY AT MAXIS

65

## EMBEDDING TRUST

|   |    |
|---|----|
| Board at a Glance                                 | 68 |
| Corporate Governance Overview                     | 70 |
| Statement of the Nomination Committee             | 79 |
| Audit and Risk Committee Report                   | 82 |
| Statement on Risk Management and Internal Control | 86 |
| Directors' Responsibility Statement               | 92 |

## FINANCIAL STATEMENTS

|   |     |
|---|-----|
| Directors' Report   | 93  |
| Financial Statements  | 99  |
| Statement by Directors                                      | 200 |
| Statutory Declaration                                       | 200 |
| Independent Auditors' Report to the Members of Maxis Berhad | 201 |

## OTHER INFORMATION

|  |     |
|--|-----|
| Size of Shareholdings & Category of Shareholders | 209 |
| Directors' and CEO's Interests in Shares         | 210 |
| 30 Largest Shareholders                          | 211 |
| Information on Substantial Shareholders          | 213 |
| List of Properties Held                          | 215 |
| Additional Disclosures                           | 217 |
| Material Contracts                               | 218 |
| Bursa Sustainability Content Index               | 223 |
| Glossary   | 226 |

# About This Report

## Integrated Reporting

Welcome to Maxis Berhad's (Maxis) Integrated Annual Report (IAR) 2019. During the year, we have prepared our Company by creating value for our business and our stakeholders through the efficient management of our Six Capitals and key resources. Our end goal is to create sustainable and impactful outcomes that are attributable to or associated with our key stakeholders.

Prepared with reference to the International Integrated Reporting Council's (IIRC) Framework, this report communicates our unique value creation activities and outcomes to our key stakeholders in 2019. Our key activities and value creation model are defined on pages 36 to 37. Through this IAR, we are providing them with the information they 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.

## Our Reporting Scope and Boundary

Our report covers the financial year from 1 January 2019 to 31 December 2019 unless otherwise stated for Maxis Berhad. It includes information pertaining to both our financial and non-financial performance and the internal and external factors that affected their performance. The report indicates all business operations of Maxis including our subsidiaries.

## Materiality

Bearing in mind our vision of being Malaysia's Leading Converged Solutions Company, we have developed a strategic plan which takes into account the material matters which 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 in relation to these.

## Our Reporting Suite

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

| Reporting Suite               | Reporting Framework   |
|-------------------------------|---|
| Integrated Annual Report 2019 | <ul style="list-style-type: none"> <li>IIRC Integrated Reporting Framework</li> <li>Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR)</li> <li>Bursa Malaysia Sustainability Reporting Guidelines – with reference to Global Reporting Initiatives (GRI) Standards</li> <li>Malaysian Code on Corporate Governance 2017</li> <li>Companies Act 2016</li> </ul> |
| Financial Statements          | <ul style="list-style-type: none"> <li>Malaysian Financial Reporting Standards (MFRS)</li> <li>International Financial Reporting Standards (IFRS)</li> <li>Companies Act 2016</li> </ul>  |

## Assurance and Approval

Our financial statements were prepared and assured in accordance with MFRS, IFRS and the Companies Act 2016. Please refer to pages 93 to 208 for the audited financial statements and our independent auditor's report. We have not sought external assurance for our 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. Undue reliance shall not be placed upon such forward-looking statements as they are not guarantees of our future performance and these statements are not externally assured.

## Navigation

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

Financial Capital

Manufactured Capital

Social & Relationship Capital

Intellectual Capital

Natural Capital

Human Capital

Tell you where you can find more information within the report

Tell you where you can find more information online at [www.maxis.com.my](http://www.maxis.com.my)

## Feedback

We welcome your feedback on our report which is available to all stakeholders on our website, [www.maxis.com.my](http://www.maxis.com.my)

For further information and feedback, please contact:

**Paul Anthony Zaman**

Head of Investor Relations

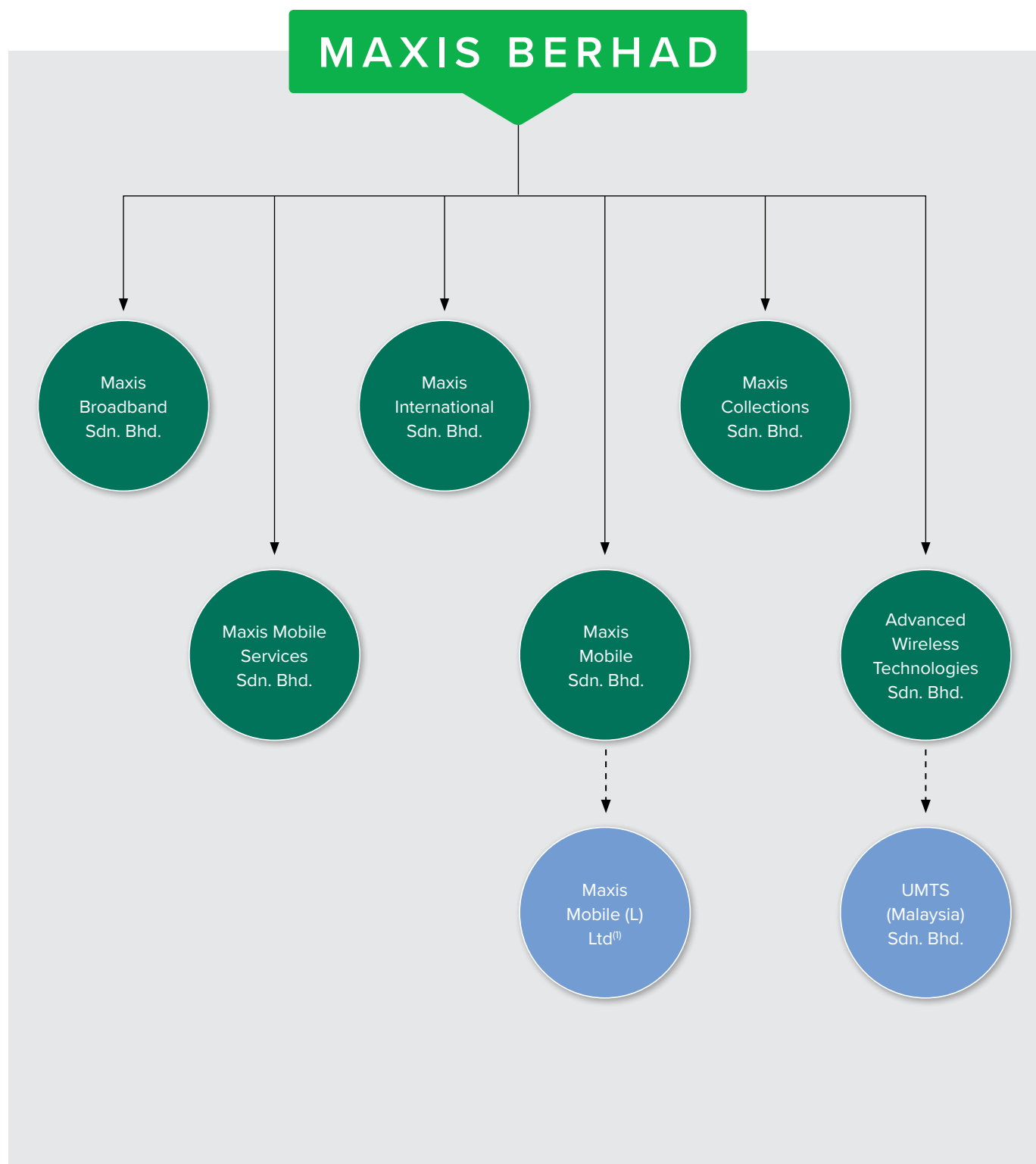
Tel : + 603 2330 7000

Fax : + 603 2330 0555

E-mail : [ir@maxis.com.my](mailto:ir@maxis.com.my)

# Group Corporate Structure

Maxis Berhad Group of Companies  
Corporate Structure\* as at 28 February 2020



**Notes:**

\* This structure reflects Maxis Berhad's subsidiaries only. Please refer to page 156 of this report on the other interests held by the Group.

<sup>(1)</sup> Incorporated in Malaysia (registered under the Labuan Companies Act 1990).

# Corporate Information

## Board of Directors

**RAJA TAN SRI DATO' SERI ARSHAD  
BIN RAJA TUN UDA**

Chairman/ Independent  
Non-Executive Director

**TAN SRI MOKHZANI BIN  
MAHATHIR**

Independent Non-Executive Director

**ROBERT ALAN NASON**

Non-Executive Director

**DATO' HAMIDAH NAZIADIN**

Independent Non-Executive Director

**ALVIN MICHAEL HEW THAI KHEAM**

Independent Non-Executive Director

**MOHAMMED ABDULLAH K.  
ALHARBI**

Non-Executive Director

**MAZEN AHMED M. ALJUBEIR**

Non-Executive Director

**ABDULAZIZ ABDULLAH M.  
ALGHAMDI**

Non-Executive Director

**LIM GHEE KEONG**

Non-Executive Director

## Senior Independent Director

**Tan Sri Mokhzani bin Mahathir**

E-mail : mmokhza@maxis.com.my

## Auditors

**PricewaterhouseCoopers PLT**

(LLP0014401-LCA & AF 1146)

Level 10, 1 Sentral

Jalan Rakyat

Kuala Lumpur Sentral

50470 Kuala Lumpur

Malaysia

Tel : + 603 2173 1188

Fax : + 603 2173 1288

## 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 2330 0590

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, Malaysia

Tel : + 603 7890 4700

Fax : + 603 7890 4670

## Stock Exchange Listing

**Main Market of Bursa Malaysia**

**Securities Berhad**

Listed since 19 November 2009

Stock Code : 6012

## Company Secretary

**Dipak Kaur**

SSM PC No. 201908002620

LS 5204

## Head of Internal Assurance

**Shafik Azlee bin Mashar**

## Investor Relations

**Paul Anthony Zaman**

Tel : + 603 2330 7000

Fax : + 603 2330 0555

E-mail : ir@maxis.com.my

## Customer Service

Tel : 1800 821 123

E-mail : customercare@maxis.com.my



Unmatched

Personalised

Experience

with converged solutions



# Directors' Profiles



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

Age: 73

Date of Appointment as Director of Maxis: 16 October 2009

Number of Board Meetings attended during the year: 5/5

Board Committee:

N G A R

## 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.

## 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 University 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



**TAN SRI MOKHZANI BIN MAHATHIR**  
Independent Non-Executive Director

Age: 59

Date of Appointment as Director of Maxis: 16 October 2009

Number of Board Meetings attended during the year: 5/5

Board Committee:

A N R G

## Qualifications

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

## Working Experience/Occupation

He began work in 1987 as a wellsite operations engineer with Sarawak Shell Berhad and resigned in 1989 to pursue business opportunities in Kuala Lumpur. By investing in Tongkah Holdings Berhad (listed on the then Kuala Lumpur Stock Exchange), he ventured into the components manufacturing, oil and gas, finance and healthcare sectors. He held positions as the Group Chief Executive Officer of Pantai Holdings Berhad (healthcare), Chairman of THB Industries Berhad (electronics) and Group Executive Chairman of Tongkah Holdings Berhad (oil and gas, finance). A divestment exercise in 2001 saw him relinquish all positions and equity in these companies. Currently, his portfolio of investments includes businesses in IT, oil and gas support services, structural steel engineering and fabrication, the automotive sector and property development. He was the non-independent Vice-Chairman and Director of SapuraKencana Petroleum Berhad up to 4 March 2015. He was also the Chairman and Chief Executive Officer of Opcom Holdings Berhad up to 1 June 2019.

Through his private holding company, Kencana Capital Sdn. Bhd., he has investments in IT, property and other businesses. He was Chairman of Sepang International Circuit Sdn. Bhd., which hosted the FIA Formula One World Championship for 13 years until 2017.

## Directorship in other public or listed companies

Yayasan Tun Dr Siti Hasmah

Board Committee:

■ (Chairman)

■ (Member)

□ Nomination Committee

□ Government and Regulatory Affairs Committee



## Directors' Profiles



**ROBERT ALAN NASON**  
Non-Executive Director

Age: 65

Date of Appointment as Director of Maxis: 7 March 2016

Number of Board Meetings attended during the year: 5/5

Board Committee:

• **Qualifications**

He holds a Bachelor of Business (Honours) from the Royal Melbourne Institute of Technology. He is a fellow of CPA Australia and a member of the Australian Institute of Company Directors.

• **Working Experience/Occupation**

Robert is currently a Non-Executive Director of Maxis since 1 May 2019. He is also the Chairman of the Business & IT Transformation Committee and a member of the Audit and Risk Committee, and the Government and Regulatory Affairs Committee since 1 May 2019. Prior to the current position of Non-Executive Director, Robert was the Interim Chief Executive Officer of Maxis from 1 April 2018 to 30 April 2019. Prior to that, he was a Non-Executive Director from 2 to 31 March 2018. Robert was an Independent Director from 7 March 2016 to 1 March 2018 and Chairman of the Audit and Business & IT Transformation Committees from 20 April 2016 to 1 March 2018.

He retired from Telstra Corporation in September 2015 after five-and-a-half years leading a major transformation of its operations. His role at Telstra involved regular, active participation in the company's Business Unit Performance Review Committee, Strategy Committee, M&A Committee, Capital Investment Management Committee, Growth Committee, Customer Advocacy Committee and Risk Committee. He was the Chairman and Director of Foxtel Pty. Ltd. from 2012 until February 2017. He was a Director of various companies/Boards in Australia and elsewhere from 2003 to 2017. Robert is presently an independent consultant and sits on the Advisory Board of AT Kearney.

His international experience includes living and working in the US and UK together with extensive experience in transformation projects for many companies in Asia, Europe, and North and South America.

• **Directorship in other public or listed companies**  
Nil



**DATO' HAMIDAH NAZIADIN**  
Independent Non-Executive Director

Age: 56

Date of Appointment as Director of Maxis: 1 February 2014

Number of Board Meetings attended during the year: 5/5

Board Committee:

• **Qualifications**

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

• **Working Experience/Occupation**

She has 31 years of experience in human resource (HR), of which the last 27 have been with CIMB Group. Prior to joining CIMB Group, she was with Pacific Bank.

As the Group Chief People Officer of CIMB Group, she provides overall strategic leadership for HR across ASEAN. She has successfully transformed HR from an administrative function into a key business enabler, contributing to CIMB Group's rapid growth into the leading ASEAN financial institution that it is today. She leads people strategies to attract, develop and retain talent, cultivate an agile workforce to prepare for the future of work, and improve the end-to-end employee experience via technology innovation.

Among her many achievements, she has strategised the resource integration in successful mergers and acquisitions over the years, within Malaysia and across ASEAN and APAC regions. She has also implemented strategic HR programmes that have earned peer and industry recognition through numerous awards.

In May 2016, she was appointed as the Chief Executive Officer of CIMB Foundation, the philanthropic platform for CIMB Group, to spearhead CSR initiatives in community development, sports and education with diversity and inclusion as the guiding principles. She was also a Commissioner of CIMB Niaga, Indonesia and a member of CIMB Niaga's Nomination and Remuneration Committee from 2010 to September 2014.

• **Directorship in other public or listed companies**  
Nil

## Directors' Profiles



**ALVIN MICHAEL HEW THAI KHEAM**  
Independent Non-Executive Director



Age: 56

Date of Appointment as Director of Maxis: 30 August 2012

Number of Board Meetings attended during the year: 5/5

Board Committee:



### 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, Stanford, USC and UCSF.

### Working Experience/Occupation

He is currently the Group Managing Director of Southgate Ventures, a private equity owned education platform company with eight international schools in Indonesia.

His 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 2006-2009 and Taipei American School from 2011-2014.

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



**MOHAMMED ABDULLAH K. ALHARBI**  
Non-Executive Director



Age: 49

Date of Appointment as Director of Maxis: 29 May 2015

Number of Board Meetings attended during the year: 4/5

Board Committee:



### Qualifications

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

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

### Working Experience/Occupation

He is currently the General Manager 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's key strategic decision-making on M&A opportunities.

He represented STC on the Boards of PT Axis Indonesia, Public Telecommunications Company Ltd. (BRAVO), Saudi Arabia, Aircel Limited, India, Cell C (Pty) Ltd. and 3C Telecommunication (Pty) Ltd., South Africa.

He has led the process of identifying synergies and developing synergy realisation programmes, implementing greenfield operations and major acquisitions of STC, which include the acquisition of 25% shares in Binariang GSM Sdn. Bhd., Malaysia, acquisition of 35% stake in Oger Telecom Limited, successful bidding of Kuwait and Bahrain greenfield mobile licenses, increasing STC's stake in VIVA Kuwait, divestment of PT Axis Telekom Indonesia, increasing STC's stake in Intigral, an end-to-end solutions provider focused on delivering digital media content services to regional telecommunications operators in the Gulf, and STC's recent divestment from Careem (the ride hailing company).

He has always been an integral part of STC's investment-related activities. 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



**MAZEN AHMED M. ALJUBEIR**  
Non-Executive Director

Age: 43

Date of Appointment as Director of Maxis: 8 September 2016

Number of Board Meetings attended during the year: 5/5

Board Committee:

N ☐ R ☐

• **Qualifications**

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

• **Working Experience/Occupation**

He is a private investor based in Riyadh, focused on investing in and actively supporting the development of SMEs and growth companies in Saudi Arabia and the United States. His portfolio of companies span a range of industries including technology, retail, education and wholesale distribution. Alongside his investment activities, Mazen serves as an independent member on the boards of prominent government organisations, public corporations, private companies and social enterprises.

Previously, Mazen was an Executive Vice President of Amwal AlKhaleej, a Middle Eastern private equity firm, and earlier in his career, was a consultant with McKinsey & Company, based in its Washington, D.C. office, where he advised several Fortune 500 companies on operations, strategy and organisation, often in the context of major transformations and turnarounds.

• **Directorship in other public or listed companies**  
Maxis Communications Berhad



**ABDULAZIZ ABDULLAH M. ALGHAMDI**  
Non-Executive Director

Age: 37

Date of Appointment as Director of Maxis: 4 September 2018

Number of Board Meetings attended during the year: 4/5

Board Committee:

B ☐

• **Qualifications**

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

• **Working Experience/Occupation**

Abdulaziz is an executive with 15 years of progressive experience in the telecom industry. Throughout his career in Saudi Telecom Company (STC), the largest telecom company in the Middle East, Abdulaziz has shown consistent success in maximising corporate performance, driving growth, ensuring adherence to good governance, and enhancing value especially at the subsidiaries level in both local and international markets where STC is a significant player. He is the chairman of Etihad Sale, one of STC's local subsidiaries.

Abdulaziz joined STC in 2007 and is now General Manager of Investment Performance and Operations. In this capacity, he oversees the complex strategic choices and business plans of 12 subsidiaries of STC, both local and international entities. In addition, he is responsible for the delivery of STC's Investments Long Range Planning including strategic, operational and financial performance forecasts. Prior to this role, Abdulaziz was the Director of Subsidiaries Governance where he was the director required to manage the corporate governance of different subsidiaries.

• **Directorship in other public or listed companies**  
Maxis Communications Berhad



## Directors' Profiles



**LIM GHEE KEONG**  
Non-Executive Director



Age: 52

Date of Appointment as Director of Maxis: 8 May 2014

Number of Board Meetings attended during the year: 5/5

Board Committee:



### Qualifications

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

### Working Experience/Occupation

He has more than 30 years of experience in finance, treasury and credit 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) and Bond Pricing Agency Malaysia Sdn. Bhd., a bond pricing agency registered with the Securities Commission Malaysia. He is also a Director of Paxys Inc. (listed on the Philippines Stock Exchange) and Yu Cai Foundation.

### Directorship in other public or listed companies

Astro Malaysia Holdings Berhad and Yu Cai Foundation

### Other information in respect of all Directors:

1. None of the Directors have any family relationships with any Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. 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 2019.
5. Dato' Hamidah Naziadin, Alvin Michael Hew Thai Kheam and Lim Ghee Keong are standing for re-election as Directors of the Company at the forthcoming Eleventh Annual General Meeting. The Nomination Committee and Board of Directors have considered the assessment of the three 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.

# Maxis Management Team



## GOKHAN OGUT

Chief Executive Officer &  
Acting Chief Marketing Officer

■ Turkish ■ Male ■ 49  
Date of Appointment: 1 May 2019

Gokhan joined Maxis in September 2018 as the Chief Operating Officer (COO). He first focused on strengthening the core operations of the business to deliver innovative products and services in an ever increasing competitive core mobile market. In May 2019, Gokhan moved into the CEO position, driving Maxis' new ambition to be Malaysia's Leading Converged Solutions Company.

Prior to Maxis, Gokhan ran his own consultancy firm based in Istanbul, Turkey; offering management and marketing consultancy services in Europe and the Middle East. Before that, he was with Vodafone Turkey from 2009 to 2016, where he held senior roles – his first position as Chief Marketing Officer, rising to become the Chief Consumer Business Officer in 2011 and eventually the Chief Executive Officer of the Company between 2013 and 2016.

Before Vodafone, Gokhan was in senior marketing as well as general management roles with a number of large and well-known companies like Danone and Procter & Gamble, holding positions that had domestic and global responsibilities in Turkey, US and France.

Gokhan has an Industrial Engineering degree from the Bogazici University of Turkey, as well as an MBA from the University of Illinois at Chicago.



## MORTEN BANGSGAARD

Chief Technology & Information Officer

■ Danish ■ Male ■ 50  
Date of Appointment: 3 February 2014

Morten is responsible for the development and operations of the Maxis telecommunications and IT networks. He brings over 24 years of experience in the telecommunications industry with 16 years in various network roles. In February 2014, he joined Maxis as the Chief Technology and Information Officer.

Prior to joining Maxis, Morten was Senior Vice President for Network Planning and Build with TDC, Denmark, responsible for planning, designing and building mobile, fixed and coax networks. Prior to that, he held various roles in TDC, including Chief Information Officer, Head of Network Development and Strategy as well as Head of Market Support. Before TDC, Morten held several roles at Ericsson Denmark, Sweden and UK.

Morten holds a Master in Mathematics and Economics from Aarhus University, Denmark.



## WAYNE TREEBY

Chief Financial & Strategy Officer

■ Australian ■ Male ■ 64  
Date of Appointment: 1 May 2018

Wayne's career covers over 30 years of increasingly senior roles in telecommunications, technology, media, professional services and investment banking. He has vast experience in transforming complex businesses to improve their competitive position and to focus them on delivering outstanding customer service. His 20-year career at Telstra included global scale strategic, commercial and leading roles particularly in Telstra's Initial Public Offering and secondary market offering valued at over A\$30 billion. Wayne has also played key roles in driving major transformation programmes at Telstra.

Before joining Maxis, Wayne held a number of senior finance roles including Chief Operating Officer and Chief Financial Officer of KPMG Australia, where he led the transformation of KPMG's business model in the country. He was also a key member of KPMG's Global & ASPAC Committees and its Global IT Steering Committee.

Wayne is a graduate of Harvard Business School's Advanced Management Programme. He holds an MBA from the University of Melbourne as well as a Master's degree in Practising Accounting from Monash University and Bachelor of Architecture (Hons) degree from Deakin University. He is a Fellow of Certified Public Accountant (CPA) Australia, a Fellow of the Financial Services Institute of Australia, a Certified Management Accountant (CMA) Australia and a Member of the Australian Institute of Company Directors.



## MARIAM BEVI BINTI BATCHA

Chief Corporate Affairs Officer

■ Malaysian ■ Female ■ 56  
Date of Appointment: 1 May 2019

Mariam is responsible for the overall planning and implementation of corporate communications activities, providing strategic Public Relations counsel to the management team, formulating communication strategies, policies and procedures, as well as developing and driving internal communications, employee volunteerism and sustainable corporate responsibility activities. She also delivers a coordinated effort in managing stakeholder relations across the Regulatory, Government and Legal functions of the organisation.

She has over 25 years of experience and prior to joining Maxis in September 2010, she served as Vice President, Group Corporate Communications in Telekom Malaysia Berhad. Prior to that, she served as Head of Group Corporate Communications and Investor Relations in Amanah Capital Partners Berhad, and later as the General Manager of Group Corporate Communications in United Engineers (Malaysia) Berhad/UEM World Berhad.

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

## Maxis Management Team



### PAUL MCMANUS

Chief Enterprise Business Officer

■ Australian ■ Male ■ 54  
Date of Appointment: 1 August 2018

Paul is responsible for the Enterprise and Wholesale segment, encompassing corporate, government, small and medium enterprise (SME), wholesale business and new business.

He joined Maxis in August 2018 as the Head of Enterprise and comes with over 30 years of experience building transformation initiatives across Australia and Asia Pacific, within the telecommunications, IT outsourcing, and enterprise software sectors. Prior to joining Maxis, Paul was the Managing Director of the Journey to Cloud Business with Accenture Australia and New Zealand, building the cloud migration, management and advisory services business in ANZ.

Prior to Accenture, Paul spent eight years at Telstra where he led a number of significant growth oriented transformation initiatives including founding Telstra's new and fast growing ICT and cloud services business serving corporate and government clients with exponential growth over 3 years to become a \$1.3B division. Earlier experiences include executive and country leadership roles within global multinational companies such as EDS, PeopleSoft, Sun Microsystems, Siemens and Philips.

Paul holds a Higher National Diploma in Electrical & Electronic Engineering from the University of West Scotland.



### TAN LAY HAN

Chief Sales & Service Officer

■ Malaysian ■ Male ■ 58  
Date of Appointment: 10 June 2013

Lay Han leads a team focusing on Channel, Customer Service and Supply Chain Management.

Lay Han joined Maxis in October 1999 as Head of Sales and Distribution and was subsequently appointed as Head of Channel Distribution and Customer Service in February 2004, and later as Head of Consumer Marketing in September 2006. In September 2009, he was appointed Head of Planning and in mid-2010, he took charge of the Business Transformation portfolio. On 10 June 2013, he was appointed as Head of Sales & Service.

Prior to joining Maxis, he was General Manager at Tanjong Golden Village Sdn. Bhd. (now known as TGV Cinemas Sdn. Bhd.). He was also involved in various business development projects for Tanjong Plc., including the establishment of the TGV business. He was previously with BP Malaysia Sdn. Bhd., where he held various marketing and operations positions during his nine years there.

Lay Han holds a Bachelor of Engineering from the Royal Melbourne Institute of Technology and a Master's in Business Administration from Cranfield School of Management.



### NATALIA NAVIN

Chief Human Resource Officer

■ Malaysian ■ Female ■ 40  
Date of Appointment: 2 September 2019

Natalia is responsible for the people agenda in Maxis.

Natalia joined Maxis in September 2019. She has played several integral HR leadership roles, including as Country HR Leader, Regional HR Leader and Global HR Business Partner where she led several HR transformation programs relating to global merger and divestiture deals. She also led successful labour relations negotiations across Asia Pacific and developed HR programs including talent and employee relations program.

Prior to joining Maxis, Natalia was the Asia Pacific HR Leader for Micro Focus, a UK-based technology company. She has worked with Zaid Ibrahim & Co (ZICO Law), United Nations, CIMB and Hewlett Packard (HP).

Natalia graduated from Staffordshire University in the UK with a Law Degree (LLB) and was admitted as an advocate and solicitor in Malaysia in 2004.



### ROB SEWELL

Chief Digital & Transformation Officer

■ Australian ■ Male ■ 48  
Date of Appointment: 1 May 2019

Rob leads the Digital and Transformation team which drives key strategic initiatives for Maxis, champions Innovation and Agility across the business and guides the organisation in pursuit of Digital and Analytics ambitions.

Rob joined Maxis in August 2018 as the Head of Corporate Strategy and was appointed to the Chief Digital and Transformation Officer role in May 2019. He brings over 25 years of experience in the telecommunications industry, with experience in 'incumbent' as well as 'challenger' operators and in leading strategy, delivery and operations across the full suite of IT and network technologies.

Before Maxis, Rob held the position of Chief Information Officer (CIO) and Head of Network Planning in an Indian telecommunications company, driving major improvements in productivity. Prior to that, Rob was with Telstra Australia for 18 years, where he served as Director of Voice & Convergence and subsequently, Director of Architecture. His time in Telstra started in Research & Development before transitioning into delivery and then transformational engineering roles.

Rob holds a Bachelor of Engineering (Hons) and a Bachelor of Science, from the University of Western Australia.

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

1. None of the MMT have any family relationships with any directors and/or major shareholders of the Company.
2. None of the MMT have any conflict of interest with the Company.
3. None of the MMT have any convictions for offences within the past five years (other than traffic offences, if any).
4. 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 2019.
5. None of the MMT have any directorships in public companies.



# Maxis Senior Management Profiles

**DIPAK KAUR (DIPA)**

Company Secretary

■ Malaysian ■ Female ■ 50

Date of Appointment: 7 August 2009

Dipa has over 26 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, Dipa provides active 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, Certificate of Legal Practice and is a non-practising Advocate and Solicitor of the High Court of Malaya. Dipa is a Graduate of the Australian Institute of Corporate Directors, Fellow of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and sits as members of the Technical Compliance and Governance Committee, and Corporate Governance Task Force of MAICSA.

**SHAFIK AZLEE BIN MASHAR**

Head of Internal Assurance

■ Malaysian ■ Male ■ 44

Date of Appointment: 15 April 2014

Shafik joined Maxis in April 2014 as the Head of Internal Audit, now known as Internal Assurance, responsible for leading the independent internal audit function that reports functionally to the Audit and Risk Committee and administratively to the CEO.

Shafik brings over more than 20 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 the British American Tobacco (BAT) Global IT Audit Team, responsible of managing and delivering IT assurance work for its entities across the globe. Prior to BAT, he was with Computer Sciences Corporation (CSC), a US based IT outsourcing company. Shafik started his career in Telekom Malaysia, where he began in various operational roles before subsequently moving to the Internal Audit Division.

Shafik 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) conferred by the professional body, ISACA.

# Financial Highlights

|  | 2019  | 2018  | 2017 <sup>(1)</sup> | 2019-2018<br>YoY Change |
|--|-------|-------|---------------------|-------------------------|
| <b>FINANCIAL RESULTS</b>                             |       |       |                     |                         |
| <b>Financial Indicators (RM'm)</b>                   |       |       |                     |                         |
| Revenue  | 9,313 | 9,192 | 9,419               | 1.3%                    |
| Service revenue <sup>(2)</sup>                       | 7,797 | 8,068 | 8,271               | -3.4%                   |
| EBITDA <sup>(3)</sup>                                | 3,733 | 3,799 | 4,307               | -1.7%                   |
| Normalised EBITDA <sup>(4)</sup>                     | 3,768 | 3,843 | 4,195               | -2.0%                   |
| Profit Before Tax (PBT)                              | 2,036 | 2,369 | 2,878               | -14.1%                  |
| Profit After Tax (PAT)                               | 1,519 | 1,780 | 2,180               | -14.7%                  |
| Normalised PAT <sup>(5)</sup>                        | 1,500 | 1,768 | 2,074               | -15.2%                  |
| Profit attributable to equity holders of the Company | 1,519 | 1,780 | 2,180               | -14.7%                  |

|   |       |       |       |  |
|---|-------|-------|-------|--|
| <b>Financial Ratios</b>                         |       |       |       |  |
| EBITDA margin (%)                               | 40.1% | 41.3% | 45.7% |  |
| Normalised EBITDA margin on service revenue (%) | 48.3% | 47.6% | 50.7% |  |
| PBT margin (%)                                  | 21.9% | 25.8% | 30.5% |  |
| PAT margin (%)                                  | 16.3% | 19.4% | 23.1% |  |
| Normalised PAT margin on service revenue (%)    | 19.2% | 21.9% | 25.1% |  |
| Interest cover ratio                            | 5.2   | 7.0   | 7.3   |  |
| Earnings per share (sen)                        |       |       |       |  |
| - basic   | 19.4  | 22.8  | 28.5  |  |
| - fully diluted                                 | 19.4  | 22.7  | 28.4  |  |
| Dividends per share (sen) <sup>(6)</sup>        | 20.0  | 20.0  | 20.0  |  |

|   |        |        |        |  |
|---|--------|--------|--------|--|
| <b>FINANCIAL POSITIONS</b>  |        |        |        |  |
| <b>Financial Indicators (RM'm)</b>                                      |        |        |        |  |
| Equity attributable to equity holders of the Company                    | 7,070  | 7,149  | 6,946  |  |
| Total assets  | 21,437 | 19,805 | 19,134 |  |
| Total borrowings <sup>(7)</sup>   | 8,953  | 7,639  | 7,642  |  |
| <b>Financial Ratios</b>   |        |        |        |  |
| Return on invested capital (%)  | 12.3%  | 14.5%  | 18.3%  |  |
| Return on average equity (%)  | 21.4%  | 25.3%  | 37.6%  |  |
| Return on average assets (%)  | 9.1%   | 10.7%  | 13.1%  |  |
| Gearing ratio   | 1.18   | 0.99   | 1.01   |  |
| Net assets per share attributable to equity holders of the Company (RM) | 0.90   | 0.91   | 0.89   |  |

## Notes:

<sup>(1)</sup> The comparative results were restated due to MFRS 15 adoption.

<sup>(2)</sup> Service revenue is defined as Group revenue excluding device and network income.

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

<sup>(4)</sup> Exclude below items for the respective years:

- (a) Year 2019 - RM35 million comprising unrealised foreign exchange gains of RM25 million offset by upfront spectrum assignment fees charged out of RM60 million.
- (b) Year 2018 - RM44 million comprising unrealised foreign exchange gains of RM16 million offset by upfront spectrum assignment fees charged out of RM60 million.
- (c) Year 2017 - RM112 million comprising unrealised foreign exchange gains of RM78 million and prior years' service fee reduction of RM62 million offset by upfront assignment fees charged out of RM28 million.

<sup>(5)</sup> Exclude below items (after tax effects) for the respective years:

- (a) Year 2019 - RM19 million unrealised foreign exchange gains.
- (b) Year 2018 - RM12 million unrealised foreign exchange gains.
- (c) Year 2017 - RM106 million comprising unrealised foreign exchange gains of RM59 million and prior years' service fees reduction of RM47 million.

<sup>(6)</sup> Dividends per share consist of interim dividends declared and proposed in respect of the designated financial years.

<sup>(7)</sup> Include derivative financial instruments designated for hedging relationship on borrowings.

# Group Quarterly Financial Performance

| In RM'm  | 2019          |                |               |                |           |
|--|---------------|----------------|---------------|----------------|-----------|
|  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year 2019 |
| Revenue  | 2,232         | 2,206          | 2,285         | 2,590          | 9,313     |
| Service revenue                                      | 1,947         | 1,918          | 1,940         | 1,992          | 7,797     |
| EBITDA   | 944           | 940            | 945           | 904            | 3,733     |
| Normalised EBITDA                                    | 953           | 947            | 964           | 904            | 3,768     |
| PBT  | 544           | 539            | 481           | 472            | 2,036     |
| PAT  | 409           | 397            | 358           | 355            | 1,519     |
| Normalised PAT                                       | 404           | 391            | 361           | 344            | 1,500     |
| Profit attributable to equity holders of the Company | 409           | 397            | 358           | 355            | 1,519     |
| Earnings per share - basic (sen)                     | 5.2           | 5.1            | 4.6           | 4.5            | 19.4      |
| Dividends per share (sen) <sup>(1)</sup>             | 5.0           | 5.0            | 5.0           | 5.0            | 20.0      |

| In RM'm  | 2018          |                |               |                |           |
|--|---------------|----------------|---------------|----------------|-----------|
|  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year 2018 |
| Revenue  | 2,237         | 2,246          | 2,264         | 2,445          | 9,192     |
| Service revenue                                      | 1,980         | 2,013          | 2,027         | 2,048          | 8,068     |
| EBITDA   | 1,023         | 989            | 1,025         | 762            | 3,799     |
| Normalised EBITDA                                    | 1,020         | 1,007          | 1,047         | 769            | 3,843     |
| PBT  | 693           | 635            | 677           | 364            | 2,369     |
| PAT  | 523           | 478            | 513           | 266            | 1,780     |
| Normalised PAT                                       | 510           | 480            | 518           | 260            | 1,768     |
| Profit attributable to equity holders of the Company | 523           | 478            | 513           | 266            | 1,780     |
| Earnings per share - basic (sen)                     | 6.7           | 6.1            | 6.6           | 3.4            | 22.8      |
| Dividends per share (sen) <sup>(1)</sup>             | 5.0           | 5.0            | 5.0           | 5.0            | 20.0      |

| In RM'm  | 2017 <sup>(2)</sup> |                |               |                |           |
|--|---------------------|----------------|---------------|----------------|-----------|
|  | First Quarter       | Second Quarter | Third Quarter | Fourth Quarter | Year 2017 |
| Revenue  | 2,375               | 2,335          | 2,333         | 2,376          | 9,419     |
| Service revenue                                      | 2,076               | 2,069          | 2,090         | 2,036          | 8,271     |
| EBITDA   | 1,013               | 1,125          | 1,109         | 1,060          | 4,307     |
| Normalised EBITDA                                    | 1,024               | 1,006          | 1,119         | 1,046          | 4,195     |
| PBT  | 673                 | 777            | 740           | 688            | 2,878     |
| PAT  | 502                 | 572            | 564           | 542            | 2,180     |
| Normalised PAT                                       | 510                 | 483            | 561           | 520            | 2,074     |
| Profit attributable to equity holders of the Company | 502                 | 572            | 564           | 542            | 2,180     |
| Earnings per share - basic (sen)                     | 6.7                 | 7.7            | 7.2           | 6.9            | 28.5      |
| Dividends per share (sen) <sup>(1)</sup>             | 5.0                 | 5.0            | 5.0           | 5.0            | 20.0      |

**Notes:**

<sup>(1)</sup> Dividends per share consist of interim dividends declared and proposed in respect of the designated financial periods/years.

<sup>(2)</sup> The comparative results were restated due to MFRS 15 adoptions.



# Group Statement of Financial Position

Property, plant and equipment  
(RM'm)

**4,922** 2018: 5,190

Intangible assets  
(RM'm)

**11,310** 2018: 10,926

Right-of-use assets  
(RM'm)

**1,032** 2018: -

Receivables, deposits and  
prepayments (RM'm)

**3,573** 2018: 3,074

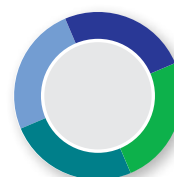
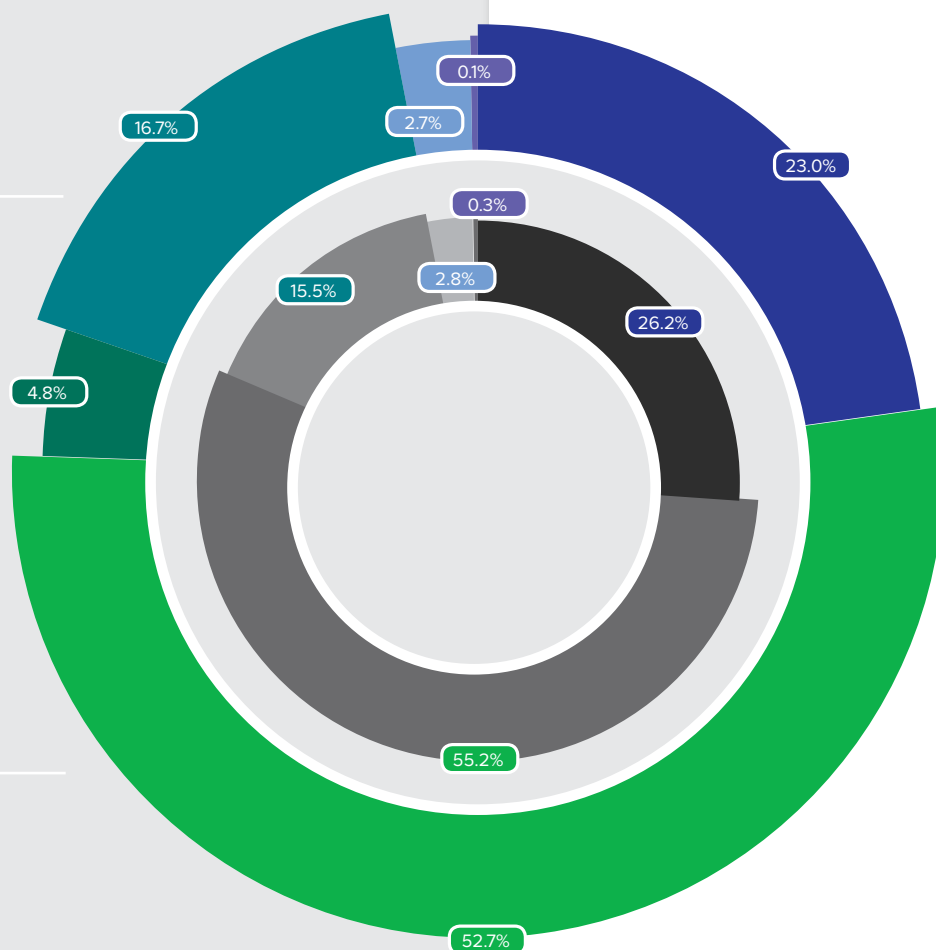
Deposits, cash and bank  
balances (RM'm)

**582** 2018: 560

Other assets  
(RM'm)

**18** 2018: 55

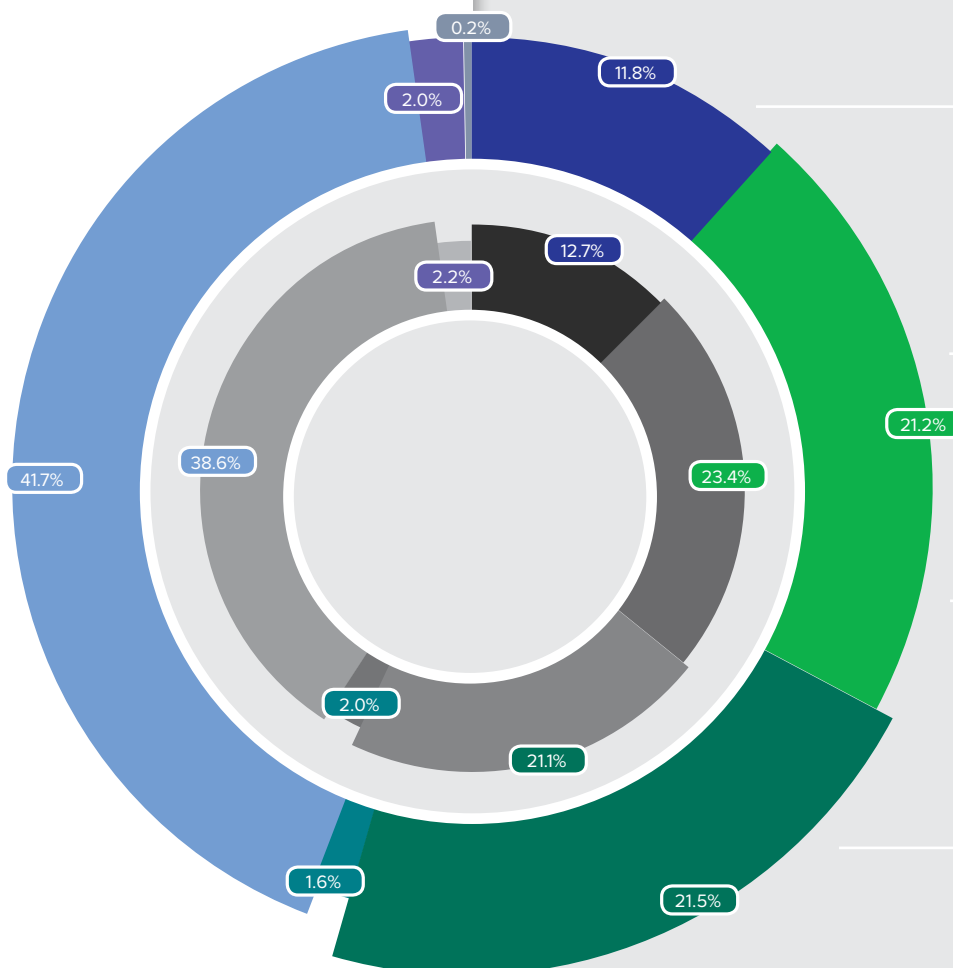
**Total  
Assets**



2019

## Group Statement of Financial Position

# Total Equity and Liabilities

Share capital  
(RM'm)2018: 2,509 **2,532**Reserves  
(RM'm)2018: 4,640 **4,538**Payables and accruals  
(RM'm)2018: 4,188 **4,601**Taxation and deferred  
tax liabilities  
(RM'm)2018: 395 **347**Borrowings  
(RM'm)2018: 7,640 **8,947**Provisions for liabilities  
and charges  
(RM'm)2018: 428 **438**Other liabilities  
(RM'm)2018: 5 **34**

2018

# Chairman's Statement



“I am confident that we are on the right trajectory to achieve our ambition to be Malaysia’s Leading Converged Solutions Company.”

RAJA TAN SRI DATO’ SERI  
ARSHAD BIN RAJA TUN UDA

*Chairman*



## Chairman's Statement

**Dear Valued Stakeholders,**

2019 was an important year for Maxis, where we have accelerated our efforts toward our ambition to become Malaysia's Leading Converged Solutions Company. This is underlined by our continuous delivery of the best fixed and mobile propositions for everyone in support of the nation's digital economy ambition.

I am pleased to present our Integrated Annual Report (IAR) to provide a more comprehensive and transparent disclosure of our objectives, strategies and performance, and illustrating the value we create for all of our stakeholders.

The Government's announcement of the National Fiberisation and Connectivity Plan (NFCP) targeting an average speed of 30Mbps in 98% of populated areas by 2023 is an important agenda for the country to improve national connectivity, accessibility and affordability. Maxis has a critical role in supporting this agenda by driving increased broadband connection nationwide and boosting digital adoption in Malaysia.

We continue to deliver the best 4G experience to the people and businesses in Malaysia. We are forging ahead with our commitment to build the best 5G network for the nation once the spectrum is made available. To this end, we applaud the efforts of the Malaysian Communication and Multimedia Commission (MCMC) for their instrumental role in 5G acceleration and for setting up the National 5G Task Force. Maxis has been involved in robust discussions with MCMC in providing feedback and recommendations, including leading one of the taskforce workgroups, and also been participating in every opportunity to create greater awareness on 5G and its potential. These include MCMC's #5GMalaysia showcase in Putrajaya and IDECS 2019 showcase in Kuching.

**Business Strategy and Competition**

Despite prevailing sectoral challenges that saw increased competition in mobile and fixed markets, I am pleased to note that we are on track with our growth strategy, which has been the foundation of our initiatives during the year. In rolling out our strategy, our core mobile business has remained resilient, our broadband growth very significant and this has been supported by strong momentum within each product segment that we are competing in, resulting from our unmatched personalised experience and best mobile and fixed network experience in the market.

Within our Enterprise segment, we are forging solid partnerships, scaling up our capabilities and introducing innovative and tailored products and services. We are also significantly building a strong momentum in the fibre segment as we remain fully committed to delivering the best experience in fibre connectivity to our customers.

As for our employees, we have reorganised structures within the Group to lay the foundations for a culture shift to enable an effective and supportive work environment, so that our people will be able to expend their best efforts towards achieving our long-term digital vision.

In a challenging year, we have maintained a healthy balance sheet, strong cash flow and are rewarding our shareholders with sustainable dividends. We are on the right trajectory to achieve our ambition to be Malaysia's Leading Converged Solutions Company.

**Sustainability**

Through our 1% profit-before-tax (PBT) pledge for corporate responsibility and sustainability initiatives, we continue to create positive and long-lasting impact for our stakeholders.

Our flagship community programme, eKelas, which champions digital learning for students in rural areas, is on a growth momentum, with over 13,000 students now benefitting through the programme and portal. Importantly, eKelas has been recognised by the Ministry of Education under its co-curriculum programme, which enables us to expand into schools. We now look forward to the prospect of how 5G can enhance eKelas further by exploring virtual reality applications, which could be a game-changer. This is a clear example of the immense possibilities of what technology can do for a more immersive learning experience.

## Chairman's Statement

Even as we provide products and services that consume natural resources, we are also committed to reducing our impact on the environment. Our environmental priority is to improve our energy efficiency and reduce greenhouse gas emissions across all our network assets and business activities.

Aligning our existing sustainability programs with the United Nations Sustainable Development Goals (UN SDGs) is the obvious next step and a transformational part of the next phase of our sustainability journey. By embedding the UN SDGs within our business, Maxis will be able to uphold our corporate responsibility ambition of contributing towards a more sustainable future for all.

### Outlook

While the global economic outlook remains uncertain due to trade tensions and Covid-19 health pandemic, among other factors, we are seeing a more positive local economic environment. While the telecommunications sector remains challenging in an increasingly competitive landscape that demands for innovation, efficiency and agility, we are encouraged by the 2020 budget which focuses on building more digital infrastructure and stimulating the digital economy, with an emphasis on further strengthening digital content, embracing digitalisation, enhancing e-commerce, and adopting 5G technology.

The impact of the 4th Industrial Revolution on the economy and society cannot be understated. That said, the opportunities to progress as an industry are virtually endless, and we want to leverage the conducive environment that the Government has built for new technologies to be harnessed for the future.

To this end, we firmly believe in close collaboration with the industry, Government and regulators, for better efficiency in rolling out new technologies and to deliver more value to consumers and businesses, ultimately supporting Malaysia's digital economy ambitions.

### Corporate Governance

We strongly believe that good governance is essential for us to effectively deliver on our business strategy and generate sustainable value for all our stakeholders.

We continuously review our Board dynamics to ensure that the right balance of experience, expertise and fresh thinking is preserved. In 2019, we conducted an independent evaluation of the Board, its Committees and Directors to ensure we are delivering our best to all our stakeholders. We are committed to adherence to Bursa Malaysia's Main Market Listing Requirements, the Malaysian Code on Corporate Governance 2017 and all applicable laws. You can find more information

on our Board, and governance commitments in our Corporate Governance section on pages 70 to 78 of this IAR, and in our Corporate Governance Report 2019 that is available on our website.

On behalf of the Board, I welcome the new provision on corporate liability for corruption offences under the Malaysian Anti-Corruption Commission (MACC) Act 2009 which is expected to come into effect in June 2020. It is fundamentally important for Maxis to comply with, uphold and conduct its business in accordance with anti-bribery and corruption laws. In this regard, Maxis is working on sharpening its stance by putting in place a Maxis Anti-Bribery and Corruption (MABC) system which will be applicable to all Directors, employees as well as third parties. It will complement the current Maxis' Code of Business Practice – which itself contains prohibition on bribery and corrupt activities.

### Acknowledgment

We could not have navigated a successful year in 2019 without the support of our customers and business partners, who have contributed to our achievements as well as product and service innovation efforts in an increasingly competitive marketplace.

In addition, I would like to thank the Government and Malaysian Communications and Multimedia Commission (MCMC) for continuing to support the industry with a sound regulatory framework that encourages healthy competition which will, ultimately, benefit all Malaysians.

To our shareholders, thank you for your confidence and belief in our strategy to be a strong converged solutions player. We remain optimistic that our new growth strategy will continue to reward you in the long-term future.

I would like to take this opportunity to acknowledge my fellow Board members' counsel, shared wisdom and guidance in steering our Group forward. On behalf of the Board, I would like to express my sincere gratitude to Robert Nason in taking up the challenge and ensuring a smooth transition for our management team during his time as our interim CEO.

Finally, I would like to put on record my confidence in our CEO, Gokhan Ogut, in leading the Group forward. He has achieved key wins for Maxis in his first year and I am confident he will keep us on track with our convergence strategy. Last but not least, my heartfelt gratitude to our employees, for their dedication and engagement as we continue to invest in developing and upskilling our talents.

**RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA**

## CEO's Statement

“Our ambitions are in line with the nation's aspirations to foster inclusive development and further enhance digital Malaysia, ensuring growth for the economy and prosperity for its citizens”

GOKHAN OGUT

Chief Executive Officer

## CEO's Statement

### Dear Stakeholders,

Over the past few years, competition in the global telecommunications industry has intensified tremendously. In line with global trends, in early 2019, we shared our vision to be the Leading Converged Solutions Company in Malaysia. We launched a clear long-term strategic plan, which we call the MAX Plan, guiding us towards our goal.

We have committed to delivering an internal service revenue target of over RM10 billion by 2023, and are investing RM1 billion in growth capital expenditure over and beyond our core annual sum of RM1 billion for the next three years. At the same time, we will be delivering operational cost savings of RM1 billion over the next three years to bring about greater efficiencies and fund our growth agenda.

Notable challenges are heightened competition in an aggressive marketplace, as well as an ever increasing customer demand for high-speed and high quality data. These challenges however create incredibly exciting opportunities for leading players such as Maxis.

We believe our ambitions are in line with the nation's aspirations to foster inclusive development and further enhance digital Malaysia, ensuring growth for the economy and prosperity for its citizens.

We have been working alongside the regulators and other industry players to ensure a healthy competitive environment. With 5G on the horizon and the launch of the National Fiberisation Connectivity Plan (NFCP), we are equally committed to provide innovative services and connectivity solutions for consumers and enterprises alike through our core mobile investments and growth in our converged connectivity offerings. Through our efforts, Maxis will play an integral role in providing the best 5G and fibre connectivity in Malaysia.

### Review of the Year

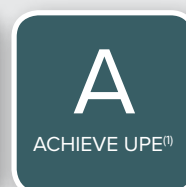
Our strategic MAX Plan, which we unveiled in 2019, was developed with the clear intent of ensuring that our stakeholders are a part of our long term value creation journey. By embedding principles of sustainable development into our business activities, we will be able to create sustainable benefits for our shareholders and all other stakeholders. Further details can be found in the Our Strategy section on page 28 of this Integrated Annual Report (IAR).

### Note:

<sup>(1)</sup> UPE - Unmatched Personalised Experience

### Our MAX Strategy

Be the Leading Converged Solutions Company in Malaysia



Our MAX Strategy

Our Performance 2019 has been both a financial rebasing period and an operational transformation year. Despite market challenges, we have performed well to record underlying service revenue excluding wholesale of RM7,660 million. We delivered a normalised EBITDA of RM3,768 million with a solid normalised EBITDA margin on service revenue of 48.3%. Please refer to our Management Discussion and Analysis on page 38 of this IAR for a more detailed analysis of our financial performance.

Our financial guidance has been fulfilled, reflecting a strong cash flow that is delivering sustainable returns to our shareholders. The Fibre and Enterprise businesses are on track with plans to generate substantial revenue streams over the next five years as part of our transformational strategy towards convergence. Our cost reduction and productivity management programmes are well underway and we expect to achieve our targets by 2023.

### Service Revenue (Excluding Wholesale)

**RM7,660 million**

2018: RM7,607 million

### Normalised EBITDA Margin on Service Revenue

**48.3%**

2018: 47.6%



## CEO's Statement

**“We continue to see growth in our subscriber base, with positive pre-to-post migration on the back of our offer of Hotlink Postpaid Flex and MaxisONE Plan share lines.”**



### Strengthening Our Consumer Products

Our consumer convergence strategy has been on an upward trajectory, driven by strong fibre growth in family and small business subscriptions. With the launch of “Superfast Fibre,” our customers are moving to new bundle plans, trusting us as their service provider of choice for fibre, shared lines and device bundles. Maxis has been the driving force in increasing connected fibre homes in the nation, with over 120,000 new connections in 2019 alone.

Our core mobile business remains resilient and we have maintained our market leader position. We recorded healthy postpaid and prepaid segment results. We continue to see growth in our mobile and fibre subscriber base, with positive pre-to-post migration on the back of our offer of Hotlink Postpaid Flex and MaxisONE Plan share lines. This has resulted in our continued leadership in postpaid, increasing our postpaid subscribers by 432k, and bringing our total base to 3.4 million. For Hotlink, we continued to leverage our Hotlink RED App, we are able to provide personalised offers to our customers through big data analytics which we call “Segment of One.”

The Government’s push towards a digital economy presents us with opportunities to further innovate on our customer offerings. These include our consumer products and solutions for voice, video, fixed and mobile services. Maxis TV, which we launched during the year, was aimed at creating greater value for our customers by providing content from top entertainment providers that are delivered to a range of mobile devices.

### Enterprise Solutions

Our Enterprise team has completed its planned upskilling to build significant talent capacity and capability in key areas. Our core people are now primed to support the growth of our Enterprise business and our pipeline of products. We have new offerings and capabilities for our customers backed by our partnerships with Amazon Web Services (AWS) and Cisco Systems and AmBank.

We have also forged key strategic collaborations to pursue our fibre ambitions. This includes our recent tie-up with Celcom Timur (Sabah) Sdn. Bhd. in October to provide greater fibre connectivity access to more people and businesses in Sabah. We also entered into an agreement with Allo Technology Sdn. Bhd. (Allo), a wholly-owned subsidiary of Tenaga Nasional Berhad (TNB) in November that will see Maxis expand fibre access to Cyberjaya and Bangsar South in the Klang Valley, and in Jasin, Melaka.

As Malaysian businesses embark on their digitalisation journey and business transformation, Maxis is there as their first partner to help grow their business. Part of our efforts are focused on building awareness and educating enterprises on how they can leverage services such as IoT, managed services, cyber-security and cloud computing as a catalyst for business growth. We understand their unique needs, as we ourselves are undergoing our own transformation journey towards becoming Malaysia’s Leading Converged Solutions Company. Our aspiration is not limited to ourselves, but is extended to the people and businesses of Malaysia, as we help them to be leaders in line with our purpose to help everyone be always ahead.

## CEO's Statement

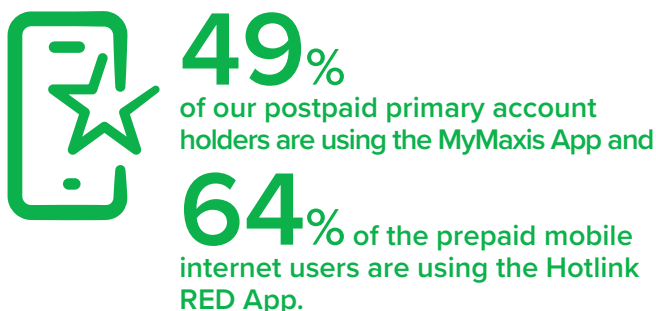


Our Enterprise team is key to realising our ambition as we know Malaysian businesses require multi-dimensional solutions beyond just connectivity in order to increase their productivity and efficiency. Our solutions cater to businesses' present and future needs through a single managed service that offers an end-to-end ICT solution for them.

### Providing an Unmatched Personalised Experience

Our retail stores continue to evolve with digitalisation. Through our new Maxis Concept Stores, we are providing a differentiated customer experience that caters to their evolving digital lifestyles. Our first concept store was launched during the year at The Gardens Mid Valley, which was followed by our second store at Sunway Pyramid. The new concept stores have gone beyond the traditional retail store offering to become customer experience centres. We are incorporating cutting edge technology into these stores in line with our promise to offer an Unmatched Personalised Experience and drive the adoption of converged services. We have also invested in expanding our retail footprint and are extending our reach into underserved areas to provide mobile and digital connectivity to communities living there.

In line with our digitalisation strategy, we have strengthened one of our key customer touch-points – our easily accessible and convenient mobile apps, namely the MyMaxis, Hotlink RED and Hotlink Postpaid Flex apps. On top of exciting deals and rewards, we have enhanced these apps with new features and capabilities that offer our customers support and convenience at their fingertips. Today, 49% of our postpaid primary account holders are using the MyMaxis App and 64% of the prepaid mobile internet users are using the Hotlink RED App. The high take up rate reflects our ability to cater to their needs by offering them variety, flexibility and choice through convenient digital services.



### Investing in the Best Network and Technology

Investment in our network assets remains at the heart of our strategy and is reflected in our sustained leadership in this area. We continue to differentiate ourselves as the best network from other players with our 4G LTE network in terms of upload and download speeds, data latency and customer experience. We have attained more than 3Mbps, 95% of the time in a demanding market environment with ever-increasing data usage. Our priority is to continue to keep improving our 4G network while preparing for the future with 5G and greater fibre availability.

Over the last few years, we have been carefully assessing the 5G technology and conducting demonstration trials in our test lab. We have also been upgrading our core network elements to gigabit-capable speeds so that they can support the capacity demands of 5G.

In February 2019, Maxis and Huawei signed a Memorandum of Understanding (MoU) to cooperate on fully fledged 5G trials. Following this, Maxis commenced Malaysia's first 5G live trials, and recorded close to 3Gbps download speeds. We also participated in Malaysian Communications and Multimedia Commission's (MCMC) #5GMalaysia showcase in Putrajaya as well as the IDECS 2019 in Kuching demonstrating how 5G can enable the Government and corporations to make informed decisions.

Our cooperation with Huawei culminated in October 2019 with the landmark agreement with them for the provisioning of a 5G network, an event witnessed by the Prime Minister of Malaysia, YAB Tun Dr. Mahathir bin Mohamad. This marked a significant milestone in Maxis' 5G journey. In November 2019, Maxis collaborated with Aquaria KLCC to showcase Malaysia's first 5G Augmented Reality (AR) experience featuring marine life. In the same month, Maxis and Celcom Axiata Berhad (Celcom) signed an MoU to explore a potential partnership to efficiently deploy Malaysia's 5G infrastructure. The collaboration has the potential to enable both companies to explore potential business opportunities in relation to key strategic 5G areas to deliver the best 5G innovation that will benefit the people and businesses in Malaysia as soon as the necessary spectrum is made available.

## CEO's Statement



### Maintaining Our Innovation Drive

We have placed great emphasis on co-creation with other Malaysian companies, facilitating dialogues to innovate our products and services based on our customers' feedback. In line with our wider innovation agenda, we have kick-started innovation programmes to position Maxis as the digital solutions provider through engagements within the start-up community, internal teams and co-creation initiatives with various companies.

As part of our technology ecosystem development, we had a positive response from our IoT Challenge hosted in collaboration with the Malaysian Digital Economy Corporation (MDEC). We also conducted strong internal engagements with our employees through innovation sessions, including an Innovation Pipeline event that we designed for our people to share ideas with each other.

### Empowering Our Talent

Digitalisation remains a crucial driver for us to achieve our strategy to improve customer touchpoints and create great digital experiences for both our consumers and employees. We continue to focus on our people, enabling them to grow through various talent development programmes. In 2019, we appointed a new Chief Human Resource Officer who is taking the lead in building new capabilities within our workforce to support a digital Maxis. We are also hiring people with the right digital skills and talents, as we continue with upskilling our existing employees' capabilities. Maxis' positive work culture experience across 3,559 employees is reflected in our employee engagement score of 88, which is on par with the best organisations globally.



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## CEO's Statement



eKelas programme has  
reached out to more than  
**13,000**  
students across 10 states and  
**72** Pusat Internet  
(Internet Centres).

**Supporting Our Communities**

As for our partners and the community, we continue to lead and grow as a responsible corporate citizen through our flagship community programme, eKelas. This impactful programme has reached out to more than 13,000 students across 10 states and 72 Pusat Internet (Internet Centres). With the Ministry of Education's recognition of eKelas as an outreach initiative under its Highly Immersive Programme which is aimed at improving the English proficiency of Malaysian students, eKelas has expanded beyond the Internet centres to reach out to 22 pioneering schools in 2019.

Leveraging technology, we have also been providing a digital workshop series to equip micro-entrepreneurs and small businesses with digital marketing skills.

**What Lies Ahead for Us**

Maxis is at a key inflection point in its growth journey and we are very excited about what lies ahead for us. We are making significant progress in the first year of our long-term strategic plan to be the Leading Converged Solutions Company in Malaysia. With growth in fibre connectivity and 5G on the horizon, I look forward to continuing our engagement with the government and the industry regulator MCMC, on the best way to deliver 5G to Malaysia.

The progress we made in 2019 was the result of the combined efforts of many people, and I would like to extend my sincere appreciation to the Board of Directors for their guidance; our partners and shareholders for their continued support in driving this significant change; our customers for their continued trust; and our employees for their utmost dedication and commitment towards our exciting journey ahead.

**GOKHAN OGUT**



Digital Savvy

# First-of-its-Kind Concept Store



Let's  
begin

Scan here  
for your queue  
number



SELF-SERVE



# Our Maxis Strategy



Our new long-term strategy, the MAX Plan clearly charts out our focus areas within three key strategic pillars to guide us towards our vision of becoming Malaysia's Leading Converged Solutions Company. Our strategic value creation plan was developed bearing in mind our stated purpose of connecting people, businesses and the nation to Always Be Ahead in a changing world, by bringing together the best of technology.

We have made clear commitments to ensure we achieve the outcomes we have identified for both our business and our stakeholders. Over the next three years, we will invest RM1 billion in growth capex, over and beyond our core annual capex of RM1 billion. As well as that, we will be delivering operational expenditure productivity savings of RM1 billion over the same time period. Internally, we have set ourselves a target of delivering on service revenues of over RM10 billion by 2023, in line with providing our shareholders with valuable returns on their investments.

## Our Vision

Be the Leading Converged Solutions Company in Malaysia

## Our Purpose

Always be Ahead: We exist to bring together the best of technology to help people, business and the nation always be ahead in a changing world

## Our Internal Targets

Service Revenue (2023)

**RM10bn+**

Productivity (3 years)

**RM1bn**

Incremental Investment (3 years)

**RM1bn**

## Our Maxis Strategy

## Our Strategy

M

## MAXIS FOR ALL

Individuals, Homes and  
Businesses

## Win in Consumer Mobile

- Continue to strengthen our leadership in our core business
- Evolve from leader in consumer mobile to leader in consumer solutions

## No. 1 Convergence Player

- Enhance customer offerings by converging connectivity products and solutions
- Be Malaysia's preferred fibre provider

## Grow Enterprise Exponentially

- Aim to be Malaysia's No. 1 business partner with end-to-end portfolio of solutions that cater to all segments

A

## ACHIEVE UPE

Differentiated and Digital  
"Unmatched Personalised  
Experience" (UPE)

## Expand Customer Touchpoints

- Maximise subscriber growth and customer value through unmatched digital personalised experience, channel reach, capability and productivity

## Maintain Network and Technology Leadership

- Sustain network leadership and customer experience superiority
- Cost control leadership through Digitalisation

## Leverage Digitalisation to Enhance Capabilities

- Analytics and insights driven to support business outcomes
- Leverage agile principles to accelerate operational processes

X

## MAXIS WAY

World Class Effective and  
Efficient Organisation

## Evolve the Organisation with the Right Culture, Talent &amp; Capabilities

- Attract the right talent and build the right capabilities
- Focus on strengthening our culture where our employees are proud to be Maxis

## Fuel for Growth: Productivity Initiatives

- Transform into an efficient organisation via productivity initiatives and cashflow improvements

## Strengthen Maxis as a Highly Reputable Corporate Citizen

- Credible, trustable and industry experts in telecommunications, regulatory and legal matters

The key factors which defined our external business landscape in 2019 are as follows:

- Increasing demand for digital technology to cater to growing digital lifestyle and new ways of working for businesses
- Increasing investments in new networks such as the impending launch of 5G in Malaysia
- Consumers' and businesses' changing imperatives in privacy, security and trust which are shaped by increasing concerns to ensure data privacy and protection
- Well-funded disruptors encroaching into the telecoms sector due to rising demand for intelligent connectivity
- Heightened competition in the telco industry as competitors seek to capture greater market share and revenue

- Stricter regulations as the Government seeks to manage and regulate the digital economy, and drive digital adoption among its population

2019 was our first year in putting our strategy into action. We have built great momentum towards achieving our vision.

Full details of our strategic outcomes and value created for our stakeholders can be found in the Business Review section of this Integrated Report.

 Business Review