

Chairman's Statement



We are actively progressing in our digital transformation.

In 2017, we strengthened our position as the market leader in our core businesses. This momentum will only increase as we forge ahead with our digital transformation journey.

WINNING IN A CHALLENGING ENVIRONMENT

We continued with our core proposition of offering great network and unmatched customer experience. Our solid financial performance is a clear indication that our strategy so far has been a winning one, even with the continued price pressure and intense competitive environment.

We have been rewarding our loyal shareholders with cash dividends. Based on four interim dividends of 5 sen per share, the Company declared total dividends of RM1.5 billion for the financial year. This payout is aligned to our cash generation and dividend policy.

**Raja Tan Sri Dato' Seri Arshad
bin Raja Tun Uda**
Chairman





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SHAPING A CHANGING ENVIRONMENT

We are witnessing an undeniable market trend in the rising adoption of digital services by both consumers and enterprises. Although this trend is still in its nascent stages in Malaysia, Maxis is well positioned to use it as a positive lever for sustained future growth.

We are making active progress towards that goal through our digital transformation journey. The end result will be a holistic digital transformation of Maxis, which will address all our attributes including platforms, processes and people – all vital to be a company of the future. We want to be fully digital by end 2018.

WHAT MATTERS TO US

Delivering great connectivity is at the core of our purpose. What matters to us is to continue to live up to our promise of giving customers a worry-free experience. And for this, we're building our competitive advantage by ensuring that our customers are happy, continuing to challenge the competition with innovative solutions, fuelling the potential of our people and giving an unmatched network experience. This is part of our commitment to creating sustainable and long-term growth for our business, while leading and shaping positive change in the communities that we operate.

Our investments extend to the community front with our flagship Corporate Responsibility Programme, eKelas. An after-school digital learning initiative that aims to improve the academic performance of students in the rural communities, the programme was further expanded in 2017 with the launch of eKelas portal. This portal allows students to have access to a cloud-based resource of learning content, enabling them to study at their own pace. Students can take charge of their learning and at the same time discover how to learn collaboratively.

Following the 900MHz and 1800MHz spectrum reallocation exercise, Maxis needed to optimise a reduced spectrum portfolio. In the reallocation exercise, Maxis was able to maintain its network quality. We are happy with the spectrum certainty gained in bands and we are looking forward to additional fair spectrum allocations in other bands to continue serving the Malaysian population with the best Internet experience.

New spectrum is one of the key components in providing faster data speeds and wider coverage. Maxis will participate in the 700MHz tender by Malaysian Communications and Multimedia Commission (MCMC).

CORPORATE GOVERNANCE AND BOARD COMMITMENT

Our Board of Directors is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in our discharge of duties and responsibilities towards corporate governance. I would like to record my appreciation to my fellow directors and management team for their commitment to corporate governance. The details of Maxis' compliance to the Malaysian Code of Corporate Governance 2017 can be found in Maxis' Corporate Governance Report.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank Ministry of Communications and Multimedia Malaysia (KKMM) and MCMC, our customers, business partners, associates and our shareholders. We are grateful for your continuous support and confidence.

I have benefited from the shared wisdom of my colleagues on the Board and would like to thank them for their guidance and contribution.

On behalf of the Board, I would also like to thank our CEO, Morten Lundal, for his valuable contributions and services to the Company. It has been an exciting time with Morten. We have accomplished a lot in this journey with him. Today, Maxis is in a strong position with higher market shares, happier customers and highly engaged employees. All these work well for us as we continue our journey to be a digital enabler.

I wish to express my gratitude to the Management for their leadership and to all our employees for their positive support and contribution. We recorded world-class employee engagement scores in 2017, a result of our thorough focus on each employee's professional and personal success.

Moving forward, I am excited to work together with the Board, the Maxis team, and our stakeholders to realise our digital transformation journey. I am confident we are on the right track in achieving our ambition.

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