

Chairman's Statement

“The Board of Directors, the Management and employees of Maxis remain committed to Maxis' ambition to be Malaysia's leading converged solutions company. We are confident that this commitment as well as our focus on our growth strategy will enable us to emerge strongly in the year to come.”



Dear Valued Stakeholders,

2020 has been an extremely challenging year for all of us as citizens of the world. We live in unprecedented times as all of us have been directly or indirectly affected by COVID-19. For many, livelihoods have been disrupted as economies have been upended beyond our expectation. Thankfully, we live in an era where technology plays such a critical role in our lives and, together with our digital mindset and capabilities, it helped us adapt and transition into the new normal quickly. While we could not have predicted what happened last year, we were able to stay focused on executing our strategy and reaffirm our commitment to providing the best connectivity and solutions for our customers.

As the leading converged solutions company in Malaysia, I am immensely proud to say that Maxis rose to the occasion and leveraged the power of technology to help families and loved ones stay in touch with one another, empower businesses, both large and small, to continue to function throughout 2020, as well as to equip our medical frontliners with the connectivity they needed to assist those who have been impacted during this COVID-19 pandemic.

I would like to record my heartfelt appreciation to all our employees who stepped up their efforts to adapt to the extraordinary demands, and particularly our frontliners who ensured that services remain uninterrupted for consumers and businesses across the nation.

We knew that we needed to continue functioning effectively and efficiently, while ensuring that our employees were able to work safely. Our robust Business Continuity Plan (BCP) which was activated immediately helped us to address the situation quickly. On the organisational front, we continued to build the right structure, culture and capabilities. We also redefined work by introducing new ways of working and operating in Maxis, spanning the entire organisation from Board level right down to our newest recruits. It was remarkable to see all our employees adapting to the new normal so rapidly and the transformation we experienced was phenomenal.

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As the nation adjusted to the colossal shift in the way we worked, studied, and connected with one another, the critical role of technology and connectivity had accelerated. The formation of the National Digital Infrastructure Laboratory (NDIL) by the Government to create Jalanan Digital Negara (JENDELA) plan was timely. Together with our fellow industry players, we were intimately involved in these discussions to deliver better quality connectivity and coverage to all Malaysians.

Year in Review

As we look back, 2020 was also a momentous year for Maxis, as we celebrated our 25th anniversary. In conjunction with this and the 63rd Merdeka Day celebration in August, we launched our new brand purpose: To bring together the best of technologies to help people, businesses and the nation to Always Be Ahead in a changing world.

This new brand purpose signifies the intertwining of Maxis' and Malaysia's past, present and future journey together in this rapidly evolving digital age. The spirit behind the brand purpose is about embracing change, growth, discovering and finding new ways of doing things through technology.

We are pleased that, guided by our refreshed culture programme called MaxisWay 2.0, we continued to maintain high engagement scores, and that employees have continued to develop and upskill themselves throughout the year.

In terms of our performance, we have been resilient in 2020 despite the impact of COVID-19. We also managed to solidify our leadership in our core mobile business and saw continued growth in fibre. We introduced a slew of enterprise solutions to businesses through strategic partnerships with renowned players. We also made inroads in the use of big data analytics and enhanced our digital channels to improve our overall customer experiences. As a result of all these efforts coupled with our agility and prudence during a challenging year, we were able to ensure stability in our business performance and financials.

We were pleased to have been able to leverage the power of technology and connectivity to host our first ever virtual AGM in 2020, as a demonstration of our continued commitment to our shareholders in fulfilling our duty to them despite the unprecedented circumstances and importantly, in ensuring their utmost safety and wellbeing. We recognise the importance of dividends to our shareholders and the decision to reduce dividends in 2020 was not easy. Nevertheless, this reduction enabled Maxis to maximise its support for all individuals, businesses and communities in Malaysia and at the same time, preserve an optimal capital structure to ensure the sustainability of our business during this time of uncertainty.

Our Corporate Responsibility

In 2019, we introduced our 1% profit before tax (PBT) pledge for community and sustainability initiatives. This continued in 2020, where we committed to create a positive and sustainable impact for all our stakeholders while helping those who are truly in need.

Our passion in education is driven by our flagship community programme, eKelas, which continues to break the barriers to digital learning for rural communities through free access to quality education content based on the Malaysian School Syllabus. Maxis eKelas continues to see steady progress. There are 26,000 students now connected to the programme via the eKelas portal, and we are proud to see it growing from strength to strength, with further expansion into schools already well underway. In 2020, we awarded the Anugerah Gemilang (student grant award) to 75 most improved eKelas students, triple the number of recipients from the previous year.

As COVID-19 continued to take a toll on communities, Maxis stepped up to support the Government in many initiatives to combat the COVID-19 pandemic, as well as to ease the burden of the people and businesses in Malaysia. Working with the Ministry of Health and authorities, we provide connectivity services, and collaborated with State Governments to provide communications support especially for SMEs. Together with the industry, Maxis provided free daily 1GB of data to all customers who were also able to access important health websites, hotlines and education platforms for free. For our eKelas students, they were able to continue learning during the MCO with no data charges when using the eKelas portal at home or from their mobile. We also ramped up digital engagement through the portal, where students were able to interact with the portal's Community Manager for guided learning.

As part of an industry effort through the 'To Malaysia With Love' campaign, an initiative driven by MCMC, Maxis pledged RM1 million via the GLC/GLIC Disaster Response Network (GDRN) for COVID-19. Half of this amount was recently donated to Yayasan Kebajikan Negara (YKN)

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to provide food aid in various phases to communities impacted not just by COVID-19 but also floods.

To provide a platform for our employees to give back to society, we continued to encourage volunteerism and active community service through our M Squad, especially in this COVID-19 pandemic environment. The programmes we undertook especially during the festive charities, not only had to meet the needs of the communities, but carried out under strict adherence to Standard Operating Procedures (SOPs) to ensure that our employees were protected at all times.

We are extremely proud to have employees with a socially responsible mindset. They have continued to show dedication and passion in creating positive impact and giving back to the communities. I would like to thank our dedicated volunteers who sacrificed their time and energy for these initiatives.

In line with our promise and commitment to build tech-savvy and forward-thinking leaders, I am pleased that we launched three new scholarships to support the aspirations of bright and deserving young individuals last year. The scholarships were Maxis Women in Tech Undergraduate; Maxis Tech Undergraduate; and the Maxis Young Leaders Undergraduate.

We remain in compliance with the Bursa Malaysia's Listing Requirements and committed to the Malaysian Code of Corporate Governance (MCCG) 2017. On 1 June 2020, the new provision on corporate liability for corruption offences under the Malaysian Anti-Corruption Commission (MACC) Act 2009 (MACC Act) came into effect. In line with this, Maxis further strengthened its existing policies and procedures on anti-bribery and corruption by implementing the Maxis Anti-Bribery and Corruption (MABC) system based on the Guidelines of Adequate Procedures issued by the Prime Minister's Department. To reinforce our commitment to conducting business professionally, ethically, with the highest standard of integrity, and in full compliance with all anti-bribery and corruption laws, the Board has endorsed an Integrity Pledge which sets out our stance against bribery and corruption.

In 2020, we continued to follow the Integrated Annual Report (IAR) format first introduced in 2019. The aim was to provide a transparent disclosure of Maxis' objectives, strategies and performance, one that described a clear picture of the value we had created over the course of the year.

Future Outlook

While Malaysia's economic performance and recovery remains slow with a level of uncertainty, we believe that COVID-19 has accelerated the digital economy in Malaysia and is creating a real impetus for businesses to adopt digitalisation in an IR4.0 era.

In this respect, the Board of Directors, Management and employees of Maxis remain committed to Maxis' ambition to be Malaysia's leading converged solutions company. We are confident that this commitment as well as our focus on our growth strategy will enable us to emerge strongly in the year to come.

Acknowledgments

I would like to express our appreciation to a number of parties without which we would not have been able to navigate through 2020 successfully. Our appreciation goes to the Government and the Malaysian Communications and Multimedia Commission (MCMC) for their ongoing support. Their sound regulatory framework and guidance continues to drive the industry forward.

Importantly, I would like to extend our sincere appreciation and gratitude to all frontliners across the nation for their tireless sacrifices, from those who work in public safety, health and recovery, to the police, army and medical professionals, as well as our own employees who continue to support the needs of our customers during these challenging COVID-19 pandemic times.

To our shareholders, thank you for your confidence and belief in our strategy that has brought sustainable returns to the company. We believe the growth strategy we have put in place, one that is based on a strong underlying core business, will continue to deliver performance in the coming years.

We would also like to thank our valuable customers for their continued support. To our business partners, you have enabled us to deliver innovative products and services that fulfil the requirements and demands of an increasingly competitive market.

I would like to acknowledge that behind every successful company is its employees, and on behalf of the Board, would thank them for their dedication, sacrifice and their 'What's Possible' mindset throughout 2020.

To my Board colleagues, we have truly benefited from the shared wisdom and I am grateful for all your support, guidance and contribution.

Last but not least, I would like to thank the Management Team, especially our CEO Gokhan Ogut, for their agility in navigating through 2020. Gokhan and his team kept Maxis' strategy on track and performed well. I would also like to welcome some new additions to the Management Team, through internal promotions, which I believe will help Maxis rise to greater heights in the coming year.

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda